Venture Philanthropy Practices in Asia:

A GUIDE TO EFFECTIVE IMPACT ASSESSMENT

ASIAN VENTURE PHILANTHROPY NETWORK | MAY 2016
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About AVPN

The Asian Venture Philanthropy Network (AVPN) is a membership network headquartered in Singapore that seeks to increase the flow of financial, human and intellectual capital to the social sector, and to improve the social impact effectiveness of members across the Asia Pacific region. We promote venture philanthropy in the broader philanthropic and social investment communities and provide specific networking and learning services to meet the needs of our members.

We have over 280+ organisations from 28 different countries spanning different sectors. We are building a cross-sector network bringing together organisations and individuals from finance, business and the social sector. Our members include private equity firms, private banks, wealth management institutions, other financial services organisations, professional service firms, family businesses, corporations, foundations, universities and government-related entities.

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Venture Philanthropy Practices in Asia:

A GUIDE TO EFFECTIVE IMPACT ASSESSMENT

MARTINA METTGENBERG-LEMIERE, PHD | MAY 2016
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Executive Summary

In 2012, AVPN published the “Blueprint on Impact Assessment”, introducing Social Return on Investment (SROI). When we began searching for case studies in impact assessment in 2015, we were often told by Venture Philanthropy Organisations (VPOs) that they had yet to get started designing their impact assessment framework or that they were not sure that, what they are doing, was right and would prefer to learn from us.

Digging deeper revealed that these VPOs were struggling to find answers to a number of questions that are outlined in this guide. Some of these questions included how to get started, which framework or template is the best, how to implement impact assessment, which organisations can we learn from. Moreover, and while VPOs had a similar set of motivations, their emphasis varied: while most used impact assessment for performance management, many put marketing and branding or investor reporting higher on the agenda. These emphases on different motivations necessitate different approaches to impact assessment. Fundamentally, we felt that, while there are numerous nuanced and rigorous guides out there, VPOs are intimidated by the apparent rigour required to conduct impact assessment and are hesitant to reveal their stumbling blocks.

The Guide starts with defining impact assessment and comparing it to other approaches in the social and business sectors, as impact assessment can be compared to financial performance management or measurement and evaluation. We also outline the different emphases VPOs make for using impact assessment.

Then the guide goes through the fundamentals of understanding your theory of change and a logic model of your operations. Based on this, we answer the most common questions and related subquestions:

Dimensions of impact assessment – how much time and money do we need, should we standardise or customise, use quantitative or qualitative data, aggregate on a portfolio level or compare to other organisations?

1. Learning from existing frameworks – whom can we learn from?
2. Implementation – how do we make impact assessment feasible?
3. Presentation – how do we present this more simply and effectively?

Each of these sections explains key readings and takeaways and includes references for further reading. At the end of each section, you will find checklists of items you should have already thought about or should consider further if you would want to progress on your journey to measuring impact. Finally, the references are listed in full at the end in the Recommended Reading Section.

In the last section on case studies, we expand on each organisation’s practices allowing you to understand them further for your particular social investment practice and motivation.

While this print version is static, we encourage you to check back on www.avpn.asia for further case studies and subsequent editions of this guide. You can also join AVPN as a member by contacting teamsbs@avpn.asia or follow us on LinkedIn https://www.linkedin.com/groups/4166788 and Twitter @avpn_asia. If you have feedback, we would be delighted to hear from you via knowledge@avpn.asia.

Many people are intimidated by impact assessment. It is often seen as the domain of academics: complex, lengthy and costly...

One interviewee of our case studies on the challenges of impact assessment

"
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- More often than not impact assessment frameworks are designed to cater to different audiences or users of impact assessment data. The audience can be either internal — senior management, board, Social Purpose Organisation — or external — donors, limited partners, potential funders and industry peers.

- Another crucial aspect of designing the framework is identifying the motivation for using information. There exists an overlap between audience and motivation. For an external audience, the motivation for doing assessment could be reporting requirements, fundraising or marketing/branding. For an internal audience however the motivation is primarily around performance management and risk management/investment decisions.

In the social investment and grant making space there exist a wide variety of organisations. Distinguishing them is necessary as it influences the motivations, resources and presentation needs for impact assessment. In this guide, we refer to the following types of organisations:

These categories are also reflected in the case studies at the end of this guide. Cutting across different organisational set-ups are the different motivations for impact assessment. These tend to be influenced by the stakeholders, audience or lack thereof. The fundamental questions for any organisation embarking on impact assessment are:

- Who are your stakeholders for your impact assessment? Who is your audience?
- And then ultimately, what is your motivation?
Audience

Social Purpose Organisations (SPOs)\(^1\) measure their worth not only by their financial profitability but also by their ability to solve social problems. Social funders tend to fund SPOs, because they address and solve social issues. Therefore, the main question that needs to be asked is who the audience for the impact assessment is

- **Internal**: In principle, impact assessment is intended for SPOs to be able to better impact their beneficiary communities, and for funders to be able to understand their own effects\(^2\)

- **External**: However, in practice, many SPOs feel put upon by funder requirements for reporting on impact\(^3\)

While you are doing impact assessment for internal and external stakeholders, it is critical to be aware of how the exercise of impact assessment is perceived by the SPOs. The two main perceptions are understand and improve performance thereby essentially partnering with the organisation or to assess the impact before making a funding decision.

As a funder you may have your own impact thesis in mind\(^4\), which may not be in line with the SPO. Therefore the first point that needs to be addressed is the issue of alignment. The most effective impact assessment is holistic incorporates the investors' impact thesis and the SPOs' ambition for impact.

Motivation

Identifying motivation involves keeping in mind the different stakeholders associated with your organisation. These could include the entities you report to (investors / Limited Partners) and the entities reporting to you (SPOs) or the interdependence of your partnerships.

**Based on our research there appear to be five motivations behind undertaking impact assessment:**

| 1. | To enforce accountability among those receiving funds |
| 2. | To attract further funding/investors to your cause by aligning financial investments with social outcomes |
| 3. | To evaluate the status of progress among your investees/grantees and assess efficacy of their activities within the greater ecosystem in which they function |
| 4. | To determine the potential for social impact or the challenges associated with doing certain activities at the time of pre engagement and beyond |
| 5. | To determine what parts of what you are doing work or not and then using that understanding to make better decisions, and finding improved solutions and processes for your organisation in the long term\(^5\) |

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1 Throughout this guide, “social purpose organisation” or “SPO” is used to refer to organisations that are themselves generating impact directly. SPOs also include but are not limited to non-profits, charities or social enterprises.
2 Ogain, E.N., Lumley, T. and Pritchard, D., 2012
3 Puttick, R. and Ludlow, J., 2013
4 AVPN Case Study on Caspian Impact Investment Adviser, 2016
5 Performance management
The larger question is if you are doing impact assessment to assess, to evaluate or to learn and in what kind of relationship this process takes place. Ideally it will be a mixture of evaluation and learning and it will be conducted in partnership with the organisation rather than prescribing specific activities and report generation. We often heard in our case study interviews that creating impact is a journey together and that communication between funder and investee is key to thinking through and creating sustainable impact.

To understand the degree of alignment between you and the SPO, it is important to begin outlining your motivation for impact assessment and your ambition to achieve impact during the due diligence phase.

Depending on the type of funder, the emphasis for impact assessment may vary. The table below tries to capture which motivation resonates most depending on the kind of funder. For instance, grantmakers in endowed foundations may be more interested in managing the performance of their grant recipients and use the impact assessment to report to their board of trustees. Impact investors or wealth managers may need the impact not just for performance management but also for reporting to their investors again.

**Checklist**

At the end of each section is a checklist that will help you assess if you have answers to the most important questions that have been asked. Answers to these questions would indicate your level of preparedness for doing impact assessment. If the number of No's exceed the Yes' then you have not answered all the questions required in order to operationalise an impact assessment framework. It would be useful then to either go back through this guide to understand the sections fully or to go through the recommended reading outlined in Section 6.

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<tr>
<th>Question</th>
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<td>Do you know your audience for impact assessment?</td>
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<tr>
<td>Are you and the SPO aligned in your ambition to measure social impact?</td>
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DEFINING AND COMPARING IMPACT AND IMPACT ASSESSMENT

Comparing sustainability and ESG reporting to impact measurement
Comparing financial performance to impact performance
What is impact?
Locating Impact
Making a difference: impact assessment thrives on humility, curiosity and partnership
Key Takeaways

- Impact assessment is similar to sustainability/ESG reporting and performance measurement, so if you are familiar with these, you can use these skills in impact assessment.

- Regardless of how you measure it, impact always consists of outputs and outcomes.

- For the purposes of measuring Social Outcomes, the terms ‘impact assessment’, ‘impact measurement’ and ‘monitoring and evaluation’ are largely the same, but ‘measurement’ may indicate a more equal partnership between investor and investee than ‘assessment’, which seems to imply judgement.

- Impact could be located as based on what investees/grantees are able to achieve on the ground (beneficiary level impact) or your own impact in helping the SPO become successful.

- Impact is not generated by the framework but by the conversation the funder has with the investee on an ongoing basis, help with learning from the measurement and implement changes based on that. Fundamentally, this conversation needs to be led with curiosity, humility and in partnership.

Before we move on to the sections to get you started, which includes design to presentation of impact assessment, we will outline what we mean by impact assessment. The aim is to begin at a level that familiarizes the reader with concepts and terms most commonly used in the domain. Thereafter, you may decide to start using this primer at a stage most relevant to your experience.

**Impact** is the short form of social impact or societal impact, or in other words “the attribution of an organisation’s activities to broader and longer-term outcomes”. Impact can also be defined as the sum of outcomes attributable to the output (may be positive or negative) and is identified through evaluation or the overall difference an organisation, programme or intervention makes. In other words, impact is the difference that you intend to make or have made. Measuring it will allow you to understand how far your activities have helped create this difference and should inform your future strategy.

We will elaborate more on this in the context of structuring the impact assessment and especially in the context of the logic model and theory of change.

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6 NESTA, 2012
7 NPC, 2013
Comparing sustainability and ESG reporting to impact measurement

Many of our corporate members are concerned with corporate sustainability. They use different frameworks like customised Environmental, Social and Governmental performance (ESG), the UN Principles of Responsible Investment (PRI)⁸, or take steps towards becoming a certified BCorporation⁹ – if they are based in the US or UK – and/or the new Global Reporting Initiative (GRI) G4 standards to report on “the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others”.¹⁰

Recently, the sustainability reporting has moved from risk minimisation to corporate social impact strategies¹¹ and from reporting to shifting the conversation to one about value.¹² For these reasons, we believe that there are overlaps and mutual learnings from the two approaches. In this guide, we will mention GRI’s G4 in the sections below but mainly focus on laying the foundation for measuring social impact.

Comparing financial performance to impact performance

These are similar but also different in a number of ways

1. They are similar in so far as impact measurement is another measurement tool, similar to financial performance.
2. Your experience with other measurements, such as financial performance measurement will make it easier as the approach needed is transferable.
3. Measuring impact, due to its many qualitative results in different dimensions, is often not about monetary results, so you have think more about what impact looks like at different stages from a qualitative perspective.
4. In the Social Return on Investment approach, you can convert this qualitative discussion on impact to monetary terms and make social impact comparable to financial impact.

What is impact?

Impact consists of different components:

- **Output**: which can be defined as a measurable unit of a product/defined episode of service directly produced by an investee’s activities and can be observed in the short-term.
- **Outcome**: which can be defined as an observable and measurable change for an individual or organisation, or in the results of a programme or intervention, and can be observed in the medium-term.

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⁸ UN Principles of Responsible Investment, available at https://www.unpri.org
⁹ B-Corporation, available at https://www.bcorporation.net
¹⁰ Global Reporting Initiative, available at https://www.globalreporting.org/Pages/default.aspx
¹¹ Varga, E., EVPA, 2015
¹² See portrait of Mars Catalyst in the Section ‘Cases for different social funders in Asia’
Locating Impact

As investors, the impact of the investment can be generated at the investee level or at the beneficiary level. The activities of investors mainly allow the SPO to generate impact on the level of their beneficiaries. Most of the time however, the investors claim the impact of the SPO on the beneficiary as their own. This raises questions of contribution, additionality and attribution, which we will look into later. In this section, we would like to highlight the important question: Where is the impact located?

Figure 1: Locating Impact, AVPN Content, 2016

Making a difference: impact assessment thrives on humility, curiosity and partnership

There is overlap between impact assessment, measurement, monitoring and evaluation and the importance of the conversation around improving impact generation but impact assessment tries to understand the entire mission rather than simply evaluate pure performance.

- Impact measurement requires a set of practices to measure both outputs and outcomes through which an organisation establishes what difference its work makes.
- Monitoring is a systematic way of collecting and recording information to check progress against plans and enable evaluation.
- Evaluation uses information from “monitoring and elsewhere to judge and understand the performance of an organisation or project.” Others have defined it as a “systematic inquiry to inform decision-making and improve programmes, [with] systematic imply[ing] that the evaluation asks critical questions, collects appropriate information, and analyses and interprets the information for a specific use and purpose.”

However, some investors may feel that assessment implies a power differential between funders and investees as well as judgement, and therefore prefer the term ‘evaluation’ over ‘assessment’. Beyond semantics, definitions of impact assessment vary and social change depends on a number of factors such as maturity and growth of organisations, objective, mission, and the resources.

13 NPC, 2013, p. 7
14 Centre for Social Impact, 2013, p. 40
available for change. The impact assessment often grows with the organisation. Regardless of what you call impact assessment, it is your attempt to measure what difference you as a funder help the organisation make with their beneficiaries. The effectiveness depends on your continuous dialogue with the investee about what difference you want to see, which measurement works best and learning from your findings on the difference with curiosity, humility and in partnership. Interestingly, many investors we spoke with felt that this was what made their approach successful.

**Checklist**

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<tr>
<th>Question</th>
<th>YES</th>
<th>NO</th>
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<tr>
<td>Will you leverage your experience with different frameworks such as performance management, ESG/sustainability reporting?</td>
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<tr>
<td>Do you measure impact at the level of the beneficiaries the SPO is able to reach?</td>
<td></td>
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<tr>
<td>Do you measure impact as helping the SPOs become successful?</td>
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<tr>
<td>Beyond the method you use, is your conversation with the SPO and potentially beneficiaries marked by curiosity, humility and partnership?</td>
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IMPACT ASSESSMENT – FROM START TO FINISH
1 - STARTING POINTS: THEORY OF CHANGE AND LOGIC MODEL

Structuring the framework
Logic Model
Theory of Change
Logic Model versus Theory of Change
Integration into the mission and impact thesis
Key Takeaways

- It is important to state clearly the social goals you are hoping to address and to include perspectives from different stakeholders on the objectives of doing impact assessment. This ensures any metrics or indicators selected for tracking are the most pertinent and useful without being tedious.

- A logic model or a theory of change is generally seen as a good starting point for developing a framework for assessment and both serve a similar purpose. However, businesses that are more stable or mature are best suited to the logic model whereas startups or incubated enterprises may find the theory of change better suited to their needs.

- Both logic model and theory of change are populated from the end goal and the subsequent outcomes but read from the bottom up, i.e. what activities and interventions will result in intended outcomes.

- Finally, the theory of change and/or logic models inform the impact thesis and are dynamic.

This section includes the starting points for impact assessment by helping you understand how to define your theory of change and logic model, before diving into the dimensions of impact assessment, templates you can learn from, implementation as well as the presentation. Throughout the Primer, we refer to the case studies presented at the end of the section.

Impact assessment is the process by which you can ensure that development activities are

(i) informed by and take into account the key relevant social issues and formulate mitigative measures, and

(ii) incorporate a strategy for participation of wide range of stakeholders.
Social Assessment is an iterative process that has to be organised in several stages to work best. The figure below provides an overview of the social assessment process featuring various phases of actions of the social assessment process.

**Figure 2 - Steps to measuring Impact, G8 guidelines**

The G8 Taskforce on Social Impact Investing and its working on group on impact measurement released a number of guides, namely the “Measuring Impact” guide\(^\text{15}\), which is now a widely referenced guide for the industry. The seven steps outlined in this guide are similar to the five steps outlined in the EVPA Practical Guide to impact assessment\(^\text{16}\):

- **Step 1 – Setting objectives**
- **Step 2 – Analysing stakeholders (including social enterprises, internal team, board members etc.)**
- **Step 3 – Measuring results: outcome, impact and indicators**
- **Step 4 – Verifying and validating impact**
- **Step 5 – Monitoring and reporting**

Both are holistic guides to impact measurement and almost vouch no further addition.

A common mistake made while designing an impact assessment framework is to decide upon the metrics or the methodology without fully understanding the linkages between the activities the organisation is involved in and the potential results of it. Rather than designing the questionnaire or sampling methods hastily, it is useful to take a step back and ask questions regarding the project goals.

A good starting point is through the help of a logic model framework and (or) defining a theory of change that helps in addressing Step 1 Goalsetting from the **Figure 2** above.

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\(^{15}\) G8 Taskforce on Social Impact Investing, 2014, p. 7

\(^{16}\) Hehenberger, Harling and Scholten, 2015
STRUCTURING THE FRAMEWORK

Logic Model

The logic model is a systematic and visual way to present and share your understanding of the relationships among the resources you have to operate your programme, the activities you plan, and the changes or results you hope to achieve\(^\text{17}\). It describes the sequence of activities thought to bring change and how these activities are linked to the results that the programme has set to achieve. In the context of impact assessment, it presents how investment decisions link to results (social impact).

![Logic Model Diagram](image)

\textbf{Figure 3: Logic Model Framework - W.K. Kellogg Foundation Logic Model Development Guide}

The \textbf{inputs}, resources and activities undertaken not only have a direct one on one relationship with output but also determine the short term and long term outcomes.

\textbf{Outputs} by themselves are not the change that the programme desires; rather, outputs are an immediate result of activities and are generally easy to measure.

By extension, an \textbf{outcome} is the change that occurs or the difference seen in actions, learnings and conditions. It is generally the result of multiple outputs. It is important to note that there are sometimes unintended or negative outcomes as a result of activities undertaken and it is useful to incorporate these in the logic model to arrive at the net impact of the engagement.

\textbf{Impact} is the change that has taken place, taking into account the “counterfactual” or what would have happened anyways. This step is important to be able to attribute causality of your intervention to the change being seen on the ground.

A \textbf{logic model} should be read from left to right starting with the inputs but when populating the model, it’s advisable to go from right to left, i.e start by listing overall impact or long term and short term outcomes that you would like to see as a result of the programme intervention before listing the outputs. While the logic model helps you list \textit{all} the possible outcomes the programme aims to achieve, you need to decide what outcomes should be measured.\(^\text{18}\) When making such decisions, it is useful to be cognisant of what motivated you to do impact assessment in the first place. Otherwise, there is a risk of focussing on measuring outputs and outcomes that don't necessarily provide any value to you.

\(^{17}\) Kellogg Foundation, 2006

\(^{18}\) The materiality concept is the universally accepted accounting principle that all material matters are to be disclosed. Financial statement items are considered material (large enough to matter) if they are able to influence the economic decisions of users. And what is considered to be material is largely dependent on judgment. Similarly in impact assessment the concept of materiality is crucial since what data to collect and to omit is tied to the judgement of management or the leadership.
However, irrespective of the extent of impact you want to measure, it is imperative to use data collected from the impact assessment framework to course correct and not just for external reporting.

![Figure 4: Pointers for Logic Model](#)

**Theory of Change**

A theory of change is essentially a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. The theory of change is focused on mapping the causal linkages between what a programme or change initiative does (its activities or interventions) and how these lead to desired goals being achieved. A theory of change is dynamic in nature and encourages its users to critically examine the hypothesis for change and the causal pathways developed between the long term goal and preconditions, informed by programme learnings.

The theory of change is useful in articulating the results you hold yourself accountable for, i.e. outcomes that can be predicted or expect based on your intervention and not what you hope will happen. It provides the space to integrate the external environment, which may have a bearing on your work, into the model.

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19 Innovation Network: Logic Model Workbook, year unknown
20 The Center for Theory of Change, year unknown
Five simple steps to creating a theory of change:

1. Clearly identify your long term goals
2. Conduct “backwards mapping” to identify the preconditions necessary to achieve that goal;
3. Some preconditions are beyond the sphere of influence – identify the interventions that your initiative will undertake to create the preconditions that can be achieved at the organisational level
4. Develop indicators for each precondition that will be used to assess the performance of the interventions
5. Clearly identify the assumptions being made in order for interventions to succeed

There are several sources on templates and examples of the theory of change model. One useful guide we would like to mention here is the DFID Guide. Another easy to use guide is the GrantCraft Theory of Change, which takes the reader through 12 pages of guided outline and examples for drawing up a theory of change. A more comprehensive list of templates has been developed by the RAND corporation. Finally, if you want to draw this up more dynamically online, you can use the TOCO tool.

Logic Model versus Theory of Change

While the logic model requires identifying individual components of the programme or intervention in a way that allow you to see outcomes against the activities and inputs, it doesn't show why the listed inputs and activities are expected to produce those outcomes. Theories of change, in addition to outlining the outcomes and the preconditions (in form of activities/inputs) also require justifications at each step – you have to explain the hypothesis about why one thing leads to the other.

A theory of change is extremely useful for early stage organisations and business models that are yet to stabilise but are looking to understand what is their impact thesis. It articulates a theory of transformation and provides a roadmap for what to measure and what not. On the other hand, logic models are particularly handy for organisations or business models that are stable and mature with a clear understanding of their intended outputs and outcomes. The choice, therefore, could depend on the stage of business and the intention for the assessment. Developing a theory of change or creating a logic model is the first and crucial step in thinking about impact assessment, as it provides a logical underpinning for the framework you develop.

Integration into the mission and impact thesis

Ideally your theory of change and logic model result in, or are aligned with your mission and impact thesis. An impact thesis aligns the management of your portfolio and can be read like your mission. Impact theses are generally fluid and subject to change with progressive understanding of how impact is generated. Yet, it has been observed that investors move towards a narrower impact thesis as their experience increases.

21 Anderson, A., ANDE, 2005
22 Vogel, DFID, 2012
23 Grant Craft - a service from the Foundation Center - on Theory of Change
26 Saltuk and El Idrissi, JPM, 2015
## Checklist

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<thead>
<tr>
<th>Question</th>
<th>Yes</th>
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<td>Have you developed your theory of change and/or logic model?</td>
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<td>Are you able to clearly define your short-term and long-term outcomes?</td>
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<td>Are your outcomes measurable?</td>
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<td>Are you able to clarify the associated outputs and activities/inputs?</td>
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<tr>
<td>Have you developed a written narrative or a graphical representation of your causal pathway (theory of change/logic model)?</td>
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<td>Have you set targets for your outputs and outcomes?</td>
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<tr>
<td>Is your theory of change and/or logic model informing your impact thesis?</td>
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## 2 – DIMENSIONS OF IMPACT ASSESSMENT

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<td>Time requirements</td>
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Key Takeaways

- The time frame for and the frequency of doing impact assessment is tied up to the motivation behind undertaking it in the first place. The frequency varies from monthly, quarterly, yearly to the end of intervention (endline).

- Both qualitative and quantitative indicators have their role to play in conveying impact.

- The degree of robustness in collecting impact data (evidence) is linked to the stage of business. Mature and established organisations/business models lend themselves to robust methods of assessments such as Randomized Control Trials (RCTs), whereas organisations in their piloting or proof of concept stage are better suited to a logic model approach. Therefore it is advisable to choose a framework depends on the stage of development.

- Issues of contribution, attribution and additionality are linked to the robustness of the evidence collection framework. Attribution is the most challenging question to answer since it requires information on performance without an intervention.

- Most investors start with standardised frameworks and then move on to customised ones due to unique impact models. For purposes of comparison, standardised frameworks are better.

- Comparison at the level of the portfolio and to other organisations is not always possible. A higher degree of homogeneity in the portfolio means you can aggregate findings which facilitates greater comparison. However, not comparing to other similar models prevents learning from each other.

- Similar to comparison, interpretation depends on the frame.

Now that you have outlined your theory of change and/or your logic model, there are seven critical items to be considered and steps to be taken. These are

- How much time do you need to spend?
- What is more useful, quantifiable or qualitative data?
- Is a more complex framework necessarily better and how do you decide on the right measurement framework?
- What is the difference between contribution, attribution and additionality and more importantly, do you measure it?
- Should you standardise your approach or customise it?
- Do you compare your results to others and if so, how?
- How do you interpret the findings?
Time requirements

While it would be difficult to give absolute estimates of time as it varies significantly for different organisations, we found that the involvement of your investee, the choice of method and the speed of change desired, could contribute to deciding the time that impact assessment could take. Ideally, the amount of time spent on doing impact assessment depends on the underlying objectives for doing it in the first place.

The time it takes you to draw up a theory of change depends on your organisation and the number of stakeholders you would like buy-in from. While you can be fast on the structure of your framework, it is beneficial to lay strong foundations by getting buy-in from the relevant stakeholders. This way, your framework is supported by your investees and the beneficiaries, and will measure what really makes a difference on the ground. Building consensus and getting buy-in from different stakeholders can be a time consuming process.

For the Happiness Foundation the process of designing a framework takes about two to three months including four to six weeks of data collection. Similarly, for JVPF, the bulk of the time required comes from the design during the due diligence phase, which can take up to six months.27

Once you start to collect data, the timelines depends on your method and the respondents. Similarly, when you have the data, it depends on you to complete analysis, interpretation and presentation to the standard you prefer and in the timeframe you have.

Some organisations find it useful to conduct pre-assessment (also referred to as baseline) to assess the condition of the beneficiaries before the start of the project or intervention which can then be compared to the situation of the beneficiaries at the end of the intervention, (commonly referred to as endline). This is done with the aim of understanding the progress (if any) that has been made by beneficiaries over the period of the project or intervention. If you set up an impact assessment framework during the due diligence phase, you can then combine this with the baseline.

The process of baseline, midline (yearly reviews before the end of the project) and endline are popular amongst grant funders and CSR bodies where the projects are typically time bound with pre identified goals and intended outcomes. For funders, such as impact investors and private equity players who invest in on-going business entities, it is common to see periodic reviews to understand the measure of impact and also to identify and manage risks that could arise as a result. RS Group holds a multi asset class portfolio and has different time periods of reviewing impact performance based on the kind of funding involved. For their philanthropic portfolio, a review of performance is conducted every six months, whereas for the impact investing and public equity fund the reviews are annual coinciding with their annual financial reporting.28

The time required for impact assessment is as a result of the cost and methodology being used. More robust methods of collecting data are typically costly and require more time, whereas when the scope of data collection is limited, it is possible to do impact assessment in a shorter span of time.

The State of Measurement Practice in the SGB sector report by Aspen Network of Development Entrepreneurs (ANDE)29 provides useful examples of time and cost estimates associated with

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27 See portrait of The Happiness Foundation and JVPF in the Section ‘Cases for different social funders in Asia’
28 See portrait of RS Group in the Section ‘Cases for different social funders in Asia’
29 Edens and Lall, ANDE, 2014
impact assessment and can be helpful in getting resource estimates. Qualitative case studies with fewer resources on the ground can cost between USD 5000 – 10,000 and take a week or more to collect data. By contrast RCTs and quasi-experimental studies have a longer data collection period, spanning from three to six months.

The frequency of reviews depends on the nature of the organisation and the environment in which it operates. Organisations experiencing rapid change from inside and/or outside the organisation may want to monitor performance on at least a monthly basis while more established and mature businesses could even look at quarterly and yearly reporting of impact.

Impact assessment could be done on a monthly basis by building in the systems to collect data along with financial performance. This is a high touch exercise and generally done by those organisations who use impact assessment for improving of social outcomes and performance of their portfolio companies and organisations. However, monthly collection of data does allow little time for change to occur so it may not be beneficial to measure this often and stretch the resources of your investee into reporting rather than on implementing change.

The most common review period is one year since it provides enough time to observe changes taking place at the field level, that the indicators can capture. It is also convenient since it coincides with annual reporting and reduces the burden of reporting for SEs, as well reports made externally to donors, LPs or Board of Directors.

![Figure 5 – The motivation-time matrix, AVPN Analysis, 2016](image-url)
Quantitative versus qualitative data – Numbers versus stories

Indicators are measures of progress being made on outcomes or goals. These indicators (metrics) could be quantitative in nature by being numeric and objective in nature. Quantitative metrics are also widely favoured by a vast majority of organisations across the spectrum. On the other hand qualitative metrics help to unpack the “why” and are descriptive, relative and largely subjective. They provide nuance and greater depth in understanding an issue. Qualitative is as important as quantitative when choosing indicators.

Quantitative data is very helpful to measure volume, duration, and reach, but must be paired with evidence on the quality of relationships and impact. Yet the majority of those working in social sector appear to advocate for a balance in quantitative and qualitative analyses, believing it best to use a mixture of approaches that can capture the complexities and subjectivities of the communities and beneficiaries they are serving. Most organisations appear to benefit from this hybrid approach, using qualitative data (interviews with beneficiaries, site visits, town hall meetings, etc) to personalize their impact assessment approach.30

It has become popular to report on a set of metrics referred to as vanity metrics. These are easily manipulated data points, and are biased toward the short-term. Vanity metrics often paint a rosy picture of programme success, but do not provide any useful insights on progress made31. Putting it simply, they exaggerate the benefits and success that could be accrued to the project. Yet they are easy to report on given the use of technology and ease of reporting especially with management pressure to report “topline” numbers. However, more often than not the use of these numbers actually has more serious pitfalls not just limited to a poor understanding of impact and progress but in actually making poor decisions. It also distorts incentives to the companies reporting them which eventually leads to underperformance. Examples of such metrics are number of followers or number of lives touched by the project.

Alternatively, MobLab suggests32 that the selection of metrics should be centered around the mission of the organisation and should reflect a common understanding of the theory of change. There is also no such thing as a perfect metric and you should not be afraid to continue customising to see what works best for you and your investees.

Choose the framework by stage of development

Another aspect to consider when choosing a framework is the stage of the enterprise. Business models that are mature and stable lend themselves to more complex methods of comparison, whereas those at the startup stage or just proving proof of concept may not provide a clear insight primarily because at that stage both the business model and its potential for impact is dynamic. The NESTA Standards of Evidence33 introduce proportionality34 with respect to evidence being sought to prove impact versus the stage of business model development. Within the scale of evidence development Randomized Control Trials (RCTs)35 and Quasi-Experimental designs36 are seen as the gold standard of evidence, due to their rigorous design but they also are the hardest to execute.

30 Schorr, SSIR, 2012
31 Greenpeace, Mobilisation Lab, 2015
32 Silberman and Mahendra, SSIR, 2015
33 Puttick and Ludlow, NESTA, 2013
34 Proportionality is the principle that means should be commensurate or appropriate to ends. It finds manifestations in fields such as law and mathematics.
35 Randomized controlled trial (RCT) is a type of experiment design, where the people being studied are randomly allocated one or other of the different treatments under study – typically referred to as the intervention and control group. RCT considered to be the gold standard and most commonly used in clinical and academic research.
36 Quasi-experimental design is similar to the randomized control trial with the only notable exception being the selection of control and intervention group is not purely by randomization.
Figure 6 – NESTA’s Standards of Evidence

**Issues of contribution, attribution and additionality**

Measuring impact requires us to not only enquire about the positive and negative outcomes but also think about the question of what would have happened anyway. This question – what would have happened anyways – can be broken down into two components:

- How much or what part of the outcome was caused by the contribution of your project or intervention or resource deployment factors in the outcome. This has been referred to in the literature as **attribution**.
- Another concept that is useful to understand is **additionality** which simply put means what outcomes did you achieve as a result of your intervention that you would have otherwise not seen.

These concepts of attribution and additionality together come in handy to assess the true impact that you have created. There are many ways to determine attribution i.e the extent to which the impact is seen is a result of your intervention. We will discuss some of the approaches for attribution in the subsequent section Issues of comparison.

Several investors have found it difficult to extract a meaningful measure of their portion of the impact. Instead, they simply report to their stakeholders the total impact of their investees, and reference the size and nature of the contribution that they had made to those outcomes. This leaves the reader to decide the value of that contribution rather than having it defined for them. It is natural to want to understand what aspect of the impact is exclusively a factor of your involvement (through capital, technical assistance or capacity building) and contribution alone can not answer

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37 Hill and Ludlow, NESTA, 2015
38 Saltuk and El Idrissi, JP Morgan, 2015
the question. It is useful to look at contribution in conjunction with comparison through methods of benchmarking performance, comparison to others or comparison within the group of beneficiaries to gain a nuanced understanding of the impact being created.

**Customisation versus standardisation**

Many organisations start with a standard global framework, then work to customise it; while others customise from the beginning. The rule of thumb seems to be that one general framework will never suffice for an organisation's particular condition or context. One example of this is Impact Investor Caspian's initial adoption of IRIS and BLab Analytics and its continued search for more granular data on the effect of its activities in different regions and on different populations.39

Often the leadership of the organisation must take the lead in designing the customisation of the template, as they can see the bigger picture of the organisation's mission and how it trickles down to day-to-day implementation. Sometimes customisation is seen as a drain on resources.40 In the end, it depends on whether you want to compare your organisation or the impact of the intervention at different timelines. If you want to compare, it would be helpful to start with standardised metrics and customise as you go along.

In our case studies, we found that not many organisations use standardised metrics or frameworks because they feel that their model is unique and does not fit into standard frameworks. However, this also means forgoing the possibility of comparison with others and the ability to learn from other models.

**Issues of comparison**

Absolute impact numbers tell us little about the true significance of having achieved those results. It is only when they are compared and contrasted do we have an idea of the overall performance. The underlying idea is to understand what works and solves a social issue and for funders to then allocate resources to the effective solutions. Yet, the question on comparison is a complex one – there are many dimensions to comparing results.

At the first level a decision needs to be made about the comparison between different companies and organisations in your portfolio or aggregating them at the company level. There is an ongoing debate on the merits and the ability to aggregate the results of different companies in the portfolio.

The proponents argue that aggregation allows for the funds to benchmark performance among SPOs in their portfolio and at the same time gives investee companies the ability to see if they are maximising impact, while opponents find it hard to report on collective impact across a portfolio with diverse sectors, geographies and business models. On the other extreme, you could decide not to aggregate at all and present each investee/grantee on its own merit.41

It is useful to remember that a high degree of homogeneity in the portfolio would make it easier to aggregate at the portfolio level. So for instance, if you focus only on one sector, it may be easier to compare similar SPO's and draw conclusions about their performance. A mixed approach would aggregate some fundamental numbers across your portfolio while crediting every organisation individually for their approach. An example of this is the Bridges Annual Reports, where larger figures are usually reported in aggregate, while each organisation is presented in closed-door investor meetings for performance management.42 At the next level of comparison, a decision needs to be made regarding whether to compare your impact with that made by other organisations.

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39 AVPN Caspian Impact Investment Adviser, 2016
40 Ogain, Lumley and Pritchard, NPC, 2012
41 Saltuk and El Idrissi, JP Morgan, 2015
42 AVPN Case Study on Bridges Ventures, 2016
Comparison between organisations becomes critical when competing for limited resources like capital from the same donors, funders or Limited Partners. It can prove to be an invaluable tool to show how your organisation has been able to maximise impact when compared to those in the same domain.

A common way to compare is to convert them into the easiest convertible denominator i.e monetary value. The Social Return on Investment (SROI) is one of the most popular methods used. The framework enables you to convert the impact being seen in monetary value against the investment made (in finance, resources, time). SROI is useful not only for putting a monetary value to the impact but it allows for comparisons with financials results.

**Different ways of interpretation**

How you interpret your findings depends on your motivation for the impact assessment and the change you want to see. For instance, if you interpret in order to report the information, you will probably have some targets you would compare it to. Or if you work in a particular industry and generally want to understand how your intervention made a difference, you can compare your intervention to others. The underlying notion then is that interpretation becomes strong through comparison.

However the question is what you compare it to and we commonly see three ways for comparison and then interpretation.

1. **You can compare it to your own goal.** In this case you would interpret the findings in the way in which you have achieved, under- or overreached your goals and then proceed to feel that you succeeded or failed.

2. **You can compare the findings to others in the portfolio**, if they are comparable. Some organisations such as Impetus may focus sufficiently on one sector to be able to draw comparisons. Others only compare similar business models in the same sector.43

3. **You can compare within industries** and this is most often the case in platforms such as BLab Analytics and Sinzer, which employ abstraction of social impact to monetary terms via SROI, to allow for interpretation.

In all cases, the way you decide whether you are doing well or not, depends on your goal. Beyond failure and success, the more insightful way is to use this as a way to understand what worked and how. If you (over)achieved your goal, this can validate your approach. If you underachieved, you need to do more digging as to why this is the case and potentially change your methodology.

43 AVPN case study on Bridges Ventures, 2016
Checklist:

- Do you know what is the frequency with which you will collect impact data? □ YES □ NO
- Are you aware of the appropriate level of evidence required to prove impact for the stage of business your investee/grantee is in? □ YES □ NO
- Are you aware of pitfalls of including vanity metrics? And can you identify in your current set of indicators if you have any? □ YES □ NO
- Are you looking to prove attribution or contribution? □ YES □ NO
- Will you aggregate impact data at the level of the portfolio? Or, will you track impact at individual organisation’s level? □ YES □ NO
- Will you compare yourself with other organisations on the impact achieved? □ YES □ NO
## 3 – LEARNING FROM EXISTING FRAMEWORKS

<table>
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Key Takeaways

- **SPICED and SMART guidelines** are helpful when designing customised indicators for the impact assessment framework.
- If you are looking to adopt standardised indicators, a catalogue of metrics such as IRIS, GRI’s G4 framework, PRISM, PPI and BACO can prove to be useful.
- Based on the motivation to do impact assessment the following frameworks can be useful:
  - Due diligence – Progress out of Poverty Index and Best Available Charitable Option
  - Performance Management – Social Return on Investment, Impact Reporting and Investment Standards
  - Risk Management – De-risking toolkit by Bridges Ventures and Balanced Scorecard

In the previous two sections you learned about how to define your motivation and your understanding of what your organisation achieves with the theory of change and logic model. You also defined a few dimensions of your framework. In this section, we present templates used by various organisations for standardised and customised indicators and according to the different motivations.

**Standardised indicators**

In terms of selecting indicators, there are a few options.

Many impact investors use Impact Reporting and Investment Standards (IRIS). These standards have been developed based on a number of existing frameworks and are undergoing refinement in on-going consultations with practitioners such as the Micro-insurance Network. The drawback of using IRIS could be that the metrics are still focused on microfinance and can be perceived as too Western centric. However, GIIN released the IRIS 4.0, which includes 72 new metrics and has enhanced integration with frameworks such as Global Reporting Initiative (GRI) and Social Performance Indicators (SPI4). Also, IRIS metrics are used by Global Impact Investing Reporting Standards (GIIRS) and Portfolio, Risk, Impact and Sustainability Measurement (PRISM). Finally, IRIS indicators tie in with B-Analytics, which means that your investor presentations become easier (see Section 5 on Presentation).

Corporate foundations and funders may also be inspired by the templates of the Global Reporting Initiative (GRI). We recently noticed that banks and corporates in our membership are considering moving towards the new G4 Sustainability guidelines by GRI.

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44 IRIS, available at https://iris.thegiin.org/metrics
46 IRIS 4.0, https://iris.thegiin.org/iris-4.0-launch
50 GRI, available at https://www.globalreporting.org/Pages/default.aspx
51 GRI, available at https://www.globalreporting.org/standards/g4/Pages/default.aspx
These indicators track sustainability and are used by around 250 of the largest corporations. For instance, Starbucks is using these indicators for reporting on its impact. With regard to the kind of indicators, it could also be useful to take into account the stage of the enterprise. For instance, Impetus-PEF, argues that organisations which are investment ready would also be more likely to be impact-ready. Impetus-PEF has a template with suggested milestones based on the stage of the enterprise. Similarly, the UK innovation agency NESTA outlines that different levels of evidence are required depending on the stage of the enterprise, and defines target outcomes according to the capacity of the enterprise on how to prove their effectiveness. This is similar to the point we made earlier on how robustly you should measure; for early-stage enterprises that have a clear idea of their theory of change testing assumptions as well as drawing up a baseline may be as good a start as an RCTs for a mature organisation with a well-defined and tested model.

Customised indicators

Beyond the indicators you can download and plug in from the web, designing participatory indicators also increases “flexibility of the process, increased ownership of the measurement and evaluation process by community members and other stakeholders, better quality evaluation outcomes, strengthened evaluation capacities, and improved programme impacts”. In addition, the benefits include increased relevance and achievability of goals.

Participatory indicators also help to bridge the gap between what is measurable and what is elusive, but essential. For instance, the number of connections in a network is measurable, but the quality of the interaction is more difficult to determine yet essential. Working with participants in the network helps to shape indicators to measure this elusive quality.

Additionally, when indicators are developed in collaboration with the social enterprises it results in a higher degree of ownership of the framework and process – ensuring higher quality of data collected.

Templates for designing indicators

Not necessarily templates, but some guidelines and steps are presented here. Customised indicators ideally fall into two categories: for quantitative indicators most would use SMART indicators and for qualitative most would use SPICED indicators.

SMART stands for

- **Specific**: Specific metrics are clear and well-defined.
- **Measurable**: Progress toward metrics is monitored while work is underway. A measurable metric, tracked by the non-profit shows when work has been done and a metric is achieved.
- **Achievable**: Achievable metrics ensure that everything is in place to meet the metric.
- **Realistic**: Metrics should be realistic. A metric may have a dependency such as particular skills, access to resources (computers, tools, etc.), or access to key people and management support. Realistic metrics take these dependencies into account.
- **Timely**: Descriptions of metrics should include timelines, showing what is required, when. This may include details of delivery, stating (if relevant) where metrics are to be completed.

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53 Impetus-PEF, 2014
56 CSI, 2014
Setting SMART indicators may be familiar to many from business and management contexts and are most suitable for quantitative indicators.

By contrast, SPICED\textsuperscript{57} stands for:

- **Subjective**: Informants have a special position that gives them particular insights. What appears anecdotal becomes critical data on the value of an item.
- **Participatory**: Indicators should be developed together with those best placed to assess them.
- **Interpreted** (and communicative): local indicators may not mean much to others, so they need to be interpreted and communicated.
- **Cross-checked**: The validity of the assessment needs to be cross-checked by comparing different indicators and progress, by using different informants, methods and researchers.
- **Empowering**: The process of setting and assessing indicators should be empowering in itself and allow groups and individuals to reflect critically on their situation.
- **Diverse and disaggregated**: There should be a deliberate effort to seek out different indicators from a range of groups, identified by gender, ethnicity, age, income, etc. This information needs to be recorded in such a way that these differences can be assessed over time.

This is particularly pertinent for qualitative indicators and requires consultations with stakeholders.

The process of designing SMART and SPICED involves five steps:

1. **Identify and engage stakeholder groups and community researchers**
2. **Understand the local context, issues and barriers to change**
3. **Identify information needs and interests of stakeholders**
4. **Identify the impacts of social change and indicators**
5. **Identify the impacts of social change and indicators**

A few points to be considered in designing indicators are

- Set appropriate indicators and methods
- Get good input from a large variety of stakeholders
- Keep indicators manageable by keeping them to a reasonable number
- Enable the analysis of difference, be it in age, gender or income
- Remember indicators limitations in explaining the reasons behind the change

One trade-off for customised indicators is that the initial phase of development can take around six months as you need to consult stakeholders and build consensus. The Better Evaluation Toolkit \textsuperscript{58} sees SMART indicators as easier to be designed than SPICED indicators, as SPICED indicators require an even greater need for consensus and therefore time. The benefit of SPICED indicators however is their sturdiness. To increase the benefit of using these sturdy indicators for comparison, you

\textsuperscript{57} Roche, 1999, p. 49
\textsuperscript{58} Better Evaluation, available at http://betterevaluation.org/toolkits/equal_access_participatory_monitoring
could consider matching SMART and SPICED indicators with existing indicators in IRIS or GRI, while retaining some unique indicators.

However, if you are just starting the process of impact assessment for your organisation or grantee then it would be useful to first look at the available standardised metrics. With better understanding of your own requirements and what works on the ground, you could eventually develop your own customised indicators.

**Templates for due diligence**

For due diligence and risk management, the predominant need seems to be to first understand whether an impact assessment framework exists at the SPO and how this solution solves the issue in focus.

Regarding whether an impact assessment framework exists on the SPO side, social investors appear to prioritise aligning their view on impact with the investee (e.g. Caspian case on pre-engagement\(^59\) and impact assessment\(^60\), Bridges Ventures under portfolio management\(^61\), Dasra\(^62\) and EdelGive\(^63\) pre-engagement). VPOs do so in the due diligence process with application forms, reference checks and also site visits later in the process to understand the social mission.

The more experienced investors develop a framework based on their sector expertise. Either by recruiting internal sector experts (e.g. Caspian\(^64\)) or developing open-source reports on potential ventures (e.g. Dasra\(^65\)). At times, investors also ask their existing cohort to recommend future funding recipients this letting the cohort do the due diligence (e.g. Village Capital\(^66\)).

Some investors also share their criteria for effective organisations in one sector (e.g. Impetus) or more largely for enterprises one stage (e.g. NESTA). Impetus-PEF shares its understanding of scaling different business models and the concomitant requirements at each stage with all social investors.\(^67\) Similarly, NESTA suggests standards of evidence depending on the stage of the development of the investee.\(^68\) These indicators are not only checking the ability to create impact but also the ability to sustain the organisation more largely. As mentioned above in Figure 6, NESTA sees the following evidence required at different stages. With sector expertise, absolute standards become a little more applicable and useful.

In the absence of sector expertise and the need to compare, the Best Available Charitable Options (BACO) is used by some funders - including Acumen - to compare which other options could solve the issue. Rather than seeking an absolute standard for social return across an extremely diverse portfolio, BACO allows you to quantify an investment’s social impact and compare it to the existing charitable options for that explicit social issue. BACO determines how cost-effective the solution is, or if there is an alternative way to solving the issue in a more affordable way.\(^69\)

To measure the benefits of livelihood and reduction in poverty, an accepted tool is the Progress out of Poverty Index (PPI) as it benchmarks organisations’ projected impact against the country’s poverty landscape and hence determines which segment of the population is being addressed.

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59 AVPN Case Study on Caspian Impact Investment Adviser, 2015
60 AVPN Case Study on Caspian Impact Investment Adviser, 2016
61 AVPN Case Study on Bridges Ventures, 2016
62 AVPN Case Study on Dasra, 2015
63 AVPN Case Study on EdelGive Foundation, 2015
64 AVPN Case Study on Caspian Impact Assessment, available at https://avpn.asia/2016/02/01/impact-assessment-caspian/
65 AVPN Case Study on Dasra available at https://avpn.asia/2015/08/28/pre-engagement-dasra-building-knowledge-for-funding-and-deal-flow/
67 Impetus-PEF, 2014
68 Puttick and Ludlow, NESTA, 2013
69 Acumen Fund BACO, 2007
Templates for performance management and risk management

Most organisations would use similar templates for due diligence as for performance management. If a social investor has not used templates during due diligence, they tend to design their social performance measurement approach using the theory of change or logic model.

Organisations that develop templates during due diligence like Caspian, Lok Capital and Bridges Ventures for instance, use this to continue to inform their performance management and impact assessment. At times they also co-create further indicators with the investee later or do mid-term third-party assessments.

In the Blueprint for impact assessment by SVT Consulting and AVPN, five case studies from different organisations in Asia are presented with different impact measurement methodologies:

- **Dasra**: Balanced Scorecard, IRIS
- **Insitor Fund**: Customised
- **LGTVP**: Customised, theory of change
- **Social Ventures Australia**: SROI
- **Social Ventures Hong Kong**: SROI and cost-benefit analysis

The SROI approach is popular, although it it can be seen as complex and costly. Social Value International has worked hard however to make the methodology easier to access and apply. To this end, they have published numerous reports and have set up the Global Value Exchange. The templates on the last pages of the Guide to Social Return on Investment are useful for drawing up your own strategy.

Regarding risk management, the templates are a little harder to get, but from our experience, scorecards, either balanced or not, seem to be a popular option to manage risk. Here are a few sources for different audiences:

**Bridges Ventures — Impact Scorecard**

Our IMPACT Scorecard is tailored to each portfolio company with a focus, above all, on materiality and practicality. We select Key Performance Indicators (KPIs) that tell us whether the company is achieving impact through what it sells or where it is located (Thematic KPIs), as well as through how it is operating (ESG factors that signal risks, as well as opportunities to create additional value). The result is a comprehensive IMPACT snapshot™ that allows informed management decisions and helps Bridges Ventures to identify areas where it can provide support. Through our scorecard, we are able to report our impact and our financial results side by side to our investors, in order to present the full story in a holistic impact.

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71 Olsen, S., Dougherty, W., Rogalski, E and Teo, K.; SVT Group, AVPN, 2013
74 Social Value International, The SROI guide
75 Bridges Ventures, 2012
### New Profit — **Balanced Scorecard**

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Strategy/Implementation</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td>Early Catalysts — secure $5m in fund commitments; Operating Revenue — $1.5m from operating funds, $5m from funders and philanthropists; Net Loss of $2m annually</td>
<td>Raise $14m in 2014 and maintain cash flow with three months’ operating capital; Maintain ratio of 14 staff per 1 employee</td>
</tr>
<tr>
<td><strong>Innovator</strong></td>
<td>Build Investor Community — engage them in key aspects of the network; Monitor Investment Performance — track key performance indicators; Develop Investor Strategy — develop investor engagement strategies</td>
<td>Onshore three founding and three fund investors; Achieve 80% satisfaction</td>
</tr>
<tr>
<td><strong>Performance of Portfolio Organization</strong></td>
<td>Growth — real growth in revenue, new portfolio organizations and strong governance and strategy; Financial Sustainability — operating surplus; EBITDA — maintain an operating surplus; Efficiency — maintain ratio of 14 staff per 1 employee</td>
<td>Create 10 new portfolio organizations; Achieve 80% performance for portfolio organizations; Target new investments; Implement new investment and collaboration processes</td>
</tr>
<tr>
<td><strong>internal Business Processes</strong></td>
<td>Strategy Management — implement performance management tools; Organizational Leadership — establish clear, effective communication lines with portfolio and fund investors; Establish a portfolio management system</td>
<td>Develop process with portfolio organizations; Meet targets for portfolio and institutional investors; Build relationships with 100% of potential institutional investors</td>
</tr>
<tr>
<td><strong>Learning and Growth</strong></td>
<td>Strategic Planning — design strategies for attracting and retaining talent; Organizational Development — develop technology tools and plan for the future; Knowledge Management — develop strategies for improved learning and training related to key processes</td>
<td>Align KPIs with communication vision between NFPinnovator and portfolio organization</td>
</tr>
</tbody>
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### Root Capital — **Scorecard**

![Social Scorecard](image-url)

*Olsen, S., Dougherty, W., Rogalski, E, and Teo, K.; SVT Group, AVPN, 2013*

*Saltuk and El Idrissi, JP Morgan, 2015*
One approach to de-risking social investments has been developed by Bridges Ventures. The report in particular identifies five risks not seven but corresponding de-risking approaches:

<table>
<thead>
<tr>
<th>Risk factor</th>
<th>De-risking feature</th>
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<td>Downside protection</td>
</tr>
<tr>
<td></td>
<td>Bundling</td>
</tr>
<tr>
<td>Exit risk</td>
<td>Liquidity</td>
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<td>Transaction cost risk</td>
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<td>Track record</td>
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<td>Unquantifiable risk</td>
<td>Placement &amp; distribution</td>
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<td>Technical assistance</td>
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<tr>
<td>Impact risk</td>
<td>Impact evidence</td>
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“Impact evidence” suggests Randomised Control Trials (RCTs), which are expensive, lengthy and not suitable for early-stage ventures. The report offers three alternatives to RCTs. One is to combine primary research on stakeholders, customers or case studies with “reasonable efforts to understand additionality”.78 Another is to use BACO in order to compare cost structures and best alternatives. The final and third one is to understand not only the impact on beneficiaries but all stakeholders and hence to adopt Environmental, Social and Governmental (ESG) Indicators into the framework. As mentioned earlier, the new G4 standards by GRI may be another alternative.79

**Other sources**

If you are still looking for other templates we recommend four further sources:


2. **The G8 Taskforce on Impact Investment, 2014: Measuring Impact**81: Similar to the EVPA guide, this is widely accepted as the gold standard of impact assessment and hence worth understanding and acting on.

3. **Rockefeller and SVT Group, 2008, Impact Measurement Approaches: recommendations to impact investors**82: This is a very comprehensive catalogue of many different methodologies. While we outline the most common approaches here and take you through them, this catalogue gives you a comprehensive overview of all approaches.

4. **Foundation Center, updated continuously: Tools and Resources for Assessing Social Impact**83: This online source is continuously updated and provides a list of 150+ assessment tools.

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78 Barby and Gan, Bridges Ventures, 2014, p. 15
79 Global Reporting Initiative, G4, available at https://www.globalreporting.org/standards/g4/Pages/default.aspx
81 Social Impact Investment Taskforce: Established under the UK’s presidency of the G8, 2015
82 Olsen, S and Galimidi, B, SVT Group and Rockefeller, 2008
83 TRASI, Foundation Center, ongoing, available at http://trasi.foundationcenter.org
### Checklist

<table>
<thead>
<tr>
<th>Question</th>
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<tbody>
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<td>Are your metrics standardised (drawn from an existing catalogue of indicators)?</td>
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<tr>
<td>Are you following the SMART/SPICED principles when designing your own indicators?</td>
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<tr>
<td>Are you aware of the time it will take for you to design your customised metrics?</td>
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<tr>
<td>Are you adopting a framework for impact assessment based on your motivations?</td>
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<tr>
<td>Are there any benchmarks or other organisation you are comparing yourself with based on the framework decided?</td>
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4 – IMPLEMENTATION

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<th>Topic</th>
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<tr>
<td>Convincing your grantees to implement IA</td>
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<td>Budget considerations</td>
</tr>
<tr>
<td>Staffing requirements</td>
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<tr>
<td>Common challenges of design and evaluation</td>
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<tr>
<td>Technology for Impact Assessment</td>
</tr>
</tbody>
</table>
Key Takeaways

- Some of the most important factors to consider when implementing your own impact assessment framework are:
  - buy-in from senior management and investees/grantees;
  - identifying resources and the gaps;
  - working under a budget either given or decided and
  - finally assessing the stage of the business to understand the standard of evidence required and relevant.

- In order to obtain grantee buy-in, you need to design a framework that borrows from established sector practices, link it to financial outcomes (in the form of funding, reducing interest on debt) and collect data relevant for the business from a decision making standpoint.

- Regarding estimation of budget and staff, it seems that whatever is affordable requires staff time and whatever is freeing staff resources is expensive.

- Digitized data collection applications can prove to be effective when collecting large quantity of information but being cost effective while doing so.

By now you should have a sound understanding on what your impact is, how to theorize it and what tools would be best suited to collect information on impact data. We should spend some time considering some practical issues regarding impact assessment that are critical to its effective implementation. The list below are prerequisites to designing and implementing an effective impact assessment framework:

- Buy-in from senior management for doing impact assessment (see Caspian case)\(^{84}\)
- Buy-in from investees/grantees (see Lok Capital)\(^{85}\)
- Take stock of skills in your internal team and evaluate other resource gaps (see Lok Capital case and their involvement of third parties).
- Earmark a budget for doing impact assessment to not overreach and keep it practical
- Assess the stage of the business/operations of grantees to see if the business model/project is stable to render itself to impact assessment/decide which impact assessment is appropriate.

Rianta Capital, an impact investor based in Switzerland mentioned that the stage of business that they invest in determines if they can realistically measure every contribution.\(^{86}\) This - concurring with the NESTA's Standards of Evidence - illustrates why some businesses may find it harder to articulate their success to achieve the stated outcomes.

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84 AVPN Case study on Caspian Impact Investment Adviser https://avpn.asia/2016/02/01/impact-assessment-caspian/
86 See portrait of Rianta Capital in the Section ‘Cases for different social funders in Asia’
Convincing your grantees to implement Impact Assessment

This is by far the most difficult question to answer and an issue that almost all practitioners face. Often impact assessment can be seen as a form of burden for SPOs. While there are no easy answers, we outlined some of the best practices followed in the industry and based on the conversations we have had with different kinds of funders for the purposes of this guide.

If working in an industry with established best practices in impact assessment, then adoption rate is higher. Microfinance and carbon credit trading are two notable examples. The microfinance sector has not only seen a lot of activity with respect to innovation and flow of capital, but has also been successful in laying down standardised tools for measurement through methods like MIX Markets[^87], IRIS[^88], or the Universal Standards for Social Performance Management[^89]. The United Nations Framework Convention on Climate Change (UNFCCC) and the Gold Standard[^90] have developed methodologies for measuring carbon emission reductions are seen as universal standards. Organisations like Nexus for Development[^91] follow these guidelines since it is not just critical to measure the extent of the impact but is also tied inextricably to the financial outcomes as well.

Many investors tend to include in-principle agreement to doing impact assessment or the enterprise's help in collecting impact data, in the grant proposal/term sheet. This not only manages expectations but also binds both the investor and SPOs into a framework from the outset. Rianta Capital[^92] includes the collection and reporting of outcome indicators based on Key Performance Indicators (KPIs) in their term sheet.

It is also common to link subsequent rounds of funding to achievement of social outcomes which would necessitate the need for collecting data. In some cases the impact assessment results are tied to financial outcomes like lowering the rate of interest on loans provided to the SPO. A notable example is Happiness Foundation[^93] which incentivizes the attainment of social outcomes by linking the rate of interest on the debt extended to the SPO to their ability to exceed their outcome targets.

Finally, you could try to include impact metrics along with financial metrics for periodic reporting so that it reduces the time taken for reporting and makes the collection of the data predictable.

In some cases, the level of data collected is influenced by the stage of development. Startup or early stage enterprises are less inclined to collect data not only because of perceived high opportunity cost, because of changing business and impact models. It is important to show how the information collected would be "useful" for the enterprise itself and not just as a reporting requirement from the funder's side.

[^88]: IRIS, available at https://iris.thegiin.org
[^91]: See portrait on Nexus for Development in the Section 'Cases for different social funders in Asia'
[^92]: See portrait on Rianta Capital in the Section 'Cases for different social funders in Asia'
[^93]: See portrait on The Happiness Foundation in the Section 'Cases for different social funders in Asia'
Budget considerations

SPOs are limited by time, resources and bandwidth. In this situation VPOs should be ready to bear some of the costs or expend resources rather than passing down the entire burden of impact assessment to the SPOs. The stage of the business again plays a key role in determining the money required – mature organisations are more likely to collect impact data without external funding sources as they have grassroot level networks and systems already in place to collect data, whereas startups are stretched for financial and other resources required for collecting data. It is also likely that early stage enterprises would have fewer systems in place to facilitate the collection of data.

The social investors we spoke with mentioned that the impact assessment process on their end costs them from anywhere around nothing - except time - to USD 200,000. In material terms, these costs arise from subscriptions to platforms such as B-Analytics and Sinzer to third-party reports done by organisations such as Sustainalytics to fully fledged accreditations by carbon trading bodies. Some detailed that they set aside 10% of the grant funding for this purpose. Other investors highlighted that it costs them hundreds of thousands of dollars to date, that it does not include generous pro-bono help from academics and other experts for the design and refining of the frameworks and that they usually do not count their own staff costs.

If you choose methods that are more rigorous or conduct data collection often or have a large sample size and do not have field staff on the ground to aid the data collection, you will spend more money on impact assessment. Lack of resources either on the VPO or the SPO side is the biggest limiting factor to impact assessment. Before a choice is made it is always useful to identify the budget you are willing to earmark for the activity exclusively. However, as one respondent put it in our interview, “if you are truly committed to making a difference, you have to put your money where your mouth is and invest”.

Staffing requirements

Beyond earmarking a budget, it is also crucial to take stock of skills in your internal team and evaluate other resource gaps (see Lok Capital case and their involvement of third parties). As mentioned in the Section ‘Time requirements’, ideally there is one person responsible for the impact assessment and yet, the entire organisation needs to be impact-aware/-sensitive and ready to contribute to make impact assessment happen. This awareness/sensitivity is not effective without the skills to act. It then makes sense to take stock of the existing skills and then decide whether skills gaps can be addressed through training or needs to be contracted out.

The JP Morgan Report on Impact Assessment in Practice talks about staffing requirements for managing impact and refers to the practice of large foundations, impact investors and funds to demonstrate the industry practice. The report cites example of the Rockefeller Foundation who dedicated resources from the portfolio management team to review investee reports across both financial and impact metrics. The benefit of having the portfolio manager also look at impact assessment allows for a comprehensive overview of the performance of the social purpose organisation and view impact in conjunction with financial performance.

In other cases the report highlights the practice of engaging in third party evaluations either to reduce the time spent by staff or by keeping the assessment unbiased. However, such arrangements are costly – it would either be worthwhile either to do a portfolio level assessment every few years or have a smaller proportion of the entire portfolio assessed every year.

From our conversations with various categories of funders the emerging trend is that the number of people required for impact assessment would be directly related to how well designed the impact

95 JPM Morgan, 2015
96 Saltuk and El Idrissi, JP Morgan, 2015
assessment practice is. Organisations doing impact assessment for more than just reporting purposes or investment decision making or reviewing performance purposes, tend to have more dedicated staff for undertaking impact assessment. The rationale may seem obvious – if the information is being used for decision making then there is a greater need for the information to be more accurate and hence more resources would be allocated to the activity. Having said this, in our cases, the majority of organisations had one to two dedicated staff at maximum for the impact assessment, while management buy-in and impact-awareness were critical additions.

**Common challenges of design and evaluation**

When designing an assessment framework there is a wide spectrum of methods to choose from depending on the *ability to operationalise* the method as well as the *robustness of the data* collected through it. Robustness here implies that the method of collecting data and the inferences drawn from would provide the most accurate description of what is actually happening on the ground. They are also generally the hardest to operationalise and require higher resource allocation – time, money and staff.

Robustness of data collected is influenced by two factors – sample size and degree of comparison. Randomized Control Trials (RCT) are considered to be the gold standard of impact assessments because they are inarguably the most rigorous. They require the fewest assumptions, or leaps of faith, when drawing conclusions from the results with the highest degree of comparison. Close on the heels of RCT in the degree of robustness is a quasi-experimental design. In this design the selection of control and intervention is not completely random but matched to the largest extent possible. These designs require a minimum level of sample size in order for the findings to be statistically significant. To put it simply, the number of people included in the assessment should be large enough to make a meaningful assessment that is also valid statistically.

It is also possible to look at comparison groups within the programme design by selecting a group constituted by those who have dropped out of the project/intervention. In such a design those beneficiaries who enrolled at the beginning of the intervention but dropped out for any reason are compared with beneficiaries who continue with the intervention. This is a preferred method among those who would like to compare the outcomes to some control group (also called counterfactual) in order to assess the actual impact of the programme.

![Figure 7 – Robustness Scale, AVPN Analysis, 2016](image)

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98 Statistically significant: The likelihood (or certainty) that a result or relationship is caused by something other than mere random chance.
Methodologies like Social Return on Investment (SROI) and Impact Radar require you to estimate and quantify ideas like additionality and deadweight. These almost always require some approximations and leap of faith. However, built in the design of these methods is the idea of a counterfactual to compare and assess impact.

On the other end of the robustness spectrum is IRIS metrics/B-Labs or the Progress out of Poverty Index (PPI). These methods are designed to collect information regarding the beneficiaries and the beneficiaries alone with no minimum sample size determinant. They are also the easiest to adopt and implement with the least amount of cost. Therefore, not surprisingly these methods continue to be the preferred methods of impact assessment.

As we mentioned earlier, the stage of development of the organisation should also influence your choice of impact assessment framework as there is little point in burdening a start-up with a fully-fledged RCT. In so far, we again refer to NESTA’s standards of evidence for the choice of impact assessment framework at different stages.99

**Technology for Impact Assessment**

For a long time, organisations have used paper forms to conduct surveys, as paper was the cheapest and easiest solution. However, paper based data collection may be useful only in limited settings since entering data into an electronic format is a time consuming process.100 Digital data collection applications are slowly gaining prominence to eliminate the need for paper surveys in the field and reduce the time taken for compiling data. Applications work on smartphones/tablets, allowing for easy and robust data collection, while providing functionalities like building the survey form, collecting and analysing data and producing simple reports. The technologies available for tracking impact can be broadly divided into four categories: 101

Technology in impact measurement is uniquely suited to social investors and enterprises, both facing the dual pressure of time and cash constraints but still needing real data to know whether they are delivering on their social, and financial objectives.102 Acumen’s Lean Data Initiative103 encourages investees to collect impact data as efficiently and effectively as possible by leveraging mobile phones and associated technologies; applying rapid survey questionnaires; integrating the collection, analysis and use of data into the company’s internal processes.

99 Puttick and Ludlow, NESTA, 2013
100 Kopernik, 2014
101 Kopernik, 2014
102 Saltuk and El Idrissi, JP Morgan, 2015
103 Adams, Gawande and Overdyk, Acumen and Root Capital, 2015; Acumen Fund 2015
Companies like Touchpoint\textsuperscript{104}, Magpi\textsuperscript{105} and Commcare provide online platforms to collect and store survey data with rich functionalities. While subscribing to these technology platforms can be too expensive, there are companies working to provide the technology platform for free in exchange for use of collected data. The most notable example being Social Cops, an Indian company offering digitized data collection for social enterprises at no cost through a cross subsidization model\textsuperscript{106}.

### Checklist

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<tr>
<th>Question</th>
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<tr>
<td>Has your board of directors/senior management approved your impact assessment plan?</td>
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<td>Will you share the cost of data collection with the SPOs?</td>
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<td>Have you earmarked a budget for doing impact assessment?</td>
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<td>Do you have skills/resources within your team to do impact assessment?</td>
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<td>Have your investees/grantees agreed to the framework and collection of information?</td>
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<td>Do you know what method of sampling will you use for ensuring robustness of the results?</td>
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<tr>
<td>Are you relying on technology for collecting and presenting impact data?</td>
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\textsuperscript{104} Touchpoint, available at http://touchpoint.com/

\textsuperscript{105} Magpi, available at http://home.magpi.com/

\textsuperscript{106} Social Cops, available at https://socialcops.com/
5 – PRESENTATION

Reporting guidelines

External branding and marketing

Presenting your material more convincingly
Key Takeaways

- For the presentation, check back with your investors for existing reporting guidelines or set your own.
- The format may vary when you report to different stakeholders. For instance for the public you may choose an annual report, while for your investors you may supplement this report with more confidential granular information and finally for your investees you may want to discuss performance and therefore choose a more action-oriented way of discussing results.
- When you want to present your material more convincingly, comparison, stories and visual stories are ways beyond RCTs to help you present your work.

Once you have completed the impact assessment and interpreted your results, you will probably want to share your results with a number of stakeholders. A few things to consider are existing reporting guidelines, which format to use and what would be the right narrative within each of these formats.

Reporting guidelines

Investors in your funds or foundations, such as Development Finance Institutions (DFIs), have their own reporting templates. It is likely that you will have other investors, too, and hence will need to report on a number of metrics important to multiple investors, your own interest and balance this with the feasibility of your beneficiaries. A case to learn from is the Caspian case, as Caspian is able to incorporate different stakeholder metrics into their measurement without overburdening the investees.107

Investment fund managers with less stakeholder prescriptions may have to come up with your own reporting guidelines and to this end, there are a number of platforms, which can help you generate a report:

- B-Lab Analytics allows your beneficiaries to enter data, helps you analyse and benchmark it and finally allows you to get a formatted report108.
- Sinzer109 is a software solution for managing and measuring social impact. It supports multiple standard frameworks for measuring impact (e.g. SROI) and enables users to build their own Strategic Impact Framework with flexible building blocks. It integrated the Global Value Exchange into its software which contains over 2000 outcomes, indicators and valuations extracted from different sources, such as IRIS, TEEB, IFC etc.110 Sinzer also has case studies on selected organisations on its website.111

Alternatively, most organisations we spoke with have their own Excel databases with data gathered through Surveymonky, which organisations then turn into graphics, infographics and reports.

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107 AVPN Case Study on Caspian Impact Investment Adviser, 2016
108 It has to be mentioned that this service is not free for investors, funds or businesses and cost ranges from USD 500 – 10,000 [Status 09/04/2016].
110 Packages for an account with 10 users start from EUR 500 + a fee per project (depending on the framework, e.g. EUR 60 annual fee for SROI. Setting up a community with one account) starts at EUR 2500. [Status 13/04/2016]
111 VSB Foundation Case study on Sinzer website: http://info.sinzer.org/case-study-vsb-foundation-eng-nl
External branding and marketing

There is a whole range of options that let you report effectively. For marketing and branding, the most useful are the public reports by various foundations and impact investors. In terms of branding, most organisations may not go too deep but highlight the largest, aggregated numbers and supplement this with stories/anecdotes to make it more persuasive. Then there are various ways for you to share your impact. From our research we found three ways:

1. As an annual report
2. On your website and interactive
3. As a visual story

Annual Reports are the tools of our trade and certainly required for investors and marketing. Here are a few examples of visually appealing, yet robust reports:

SVhk
Impact Report 2007-2010
The first annual report for SVhk gives a clear overview of the portfolio organisations in clear and concise manner. Aggregations and comparisons are missing. It also reports on a longer timeframe than a year, thus allowing for some changes to occur.1 Also noteworthy is its concise length at 24 pages, which allows affordable printing.

Then in 2013, SVhk shared that they are using KPIs and an SROI-like approach, while finally in 2016, they settled on a customised approach. Between these three documents SVhk’s journey becomes visible: from individually reported organisation’s (2010) over SROI, KPIs and a detour of using the de-risking toolkit at due diligence (2013) to a customised approach questioning depth and breadth (2015).

Dasra
Opening with bold numbers, the report starts with the big picture of how change can be catalysed through collaboration and the report outlines then Dasra’s main areas of focus (girls, women) while stating ‘achievements’ (neither output nor impact) before diving into its impact in three areas.

The breakup of organisational theory of change, its main focus and achievements before outlining impact coupled with its simple visuals makes this report credible.


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1 To know more about SVhk’s impact measurement, refer to Olsen, S., Dougherty, W., Rogalski, E and Tec, K.; SVT Group, AVPN, 2013, the AVPN case study on SVhk, 2015 and the portrait of SVhk in the Section ‘Cases for different social funders in Asia’.

1 Olsen et al, AVPN-SVT, 2013
BRIDGES VENTURES
Bridges initial 10 year report in 2013 outlined the development of its approach since inception in 2002. The three annual impact reports to date are themed and report on selected aspects in Bridges strategy:

- 2013: Spotlight on methodology
- 2014: Learning from a multi-fund approach
- 2015: The value of impact

By adopting this long-term themed approach in outlining what worked and what did not work, Bridges Ventures not only report but also shares findings with the industry to refine their approach. In their investor relations, non-aggregated scorecards and reports per portfolio organisation are presented at annual meetings with the emphasis on performance improvement.¹ As these are not public, we are unable to refer to them here.

¹ AVPN Case Study on Bridges Ventures, 2016

When you write your own report, you could use a narrative approach to make it more engaging and bring the reader along.¹ Dasra’s report is very good at this. Alternatively, the themed reports of Bridges are engaging as they portray Bridges Ventures’ impact through a particular lens. Finally, while all of us strive for numbers and representativeness, case studies can be more compelling and portray how change has occurred. To strengthen the point you aim to make, consider using different perspectives on the same issue. What unites all of these examples are their visually appealing presentation which drives their message non-verbally.
To start with some websites we found inspiring for their clear graphics, pop-ups for more information and clean structure, there are

**CHARITYWATER.ORG**  
[www.charitywater.org/projects/#stat-info-2](http://www.charitywater.org/projects/#stat-info-2)  
The website is not only graphically appealing but has clear headers of ‘why water?’ and ‘our work’. This makes the link between the larger issue and the organisation.

**OPPORTUNITY INTERNATIONAL**  
This website again has very clear structures and moreover outlines straightforwardly how Opportunity International works and then how they help. Website tabs differ by country.

**D-LIGHT**  
The tabs and subdivisions place impact squarely in the centre after the introduction before business model. The section itself has easily comprehensible icons with high-level findings and studies on impact below the icons.

**ONE ACRE FUND**  
[www.oneacrefund.org/results/long-term-impact](http://www.oneacrefund.org/results/long-term-impact)  
Results come clearly after the introduction and are first presented on a map and then a dashboard with more data and definitions explained. This is one of the few examples which is able to make RCTs accessible.

While annual reports, website and infographics are common, the power of stories is becoming more recognised. If you are going for a video report, a recent collaboration between the Gates Foundation and Google Creative Labs found that impact can be best communicated by “reaching people at a deeper and more engaged level in order to connect them with a subject.” Aaron Kobler the Creative Director of the Data Arts Team at Google Creative Lab stated, “it’s better to create an experience rather than trying to tell them to just think differently.”

In particular, there is more of a need for “more transparency, and very clear explanations of action and process, as well as a bit of excitement, optimism, and engagement. Not just passing the basket, but inclusion in something bigger, and digital technology can make these aspirations observable, quantifiable, and shareable.”

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112 Kanani, 2012
It is worth noting that this is particularly effective for fundraising. For the videos in the Gates–Google collaboration\textsuperscript{113}, visit: http://gcgh.grandchallenges.org/videos. Another interesting source of presenting quantitative data well can be found on Hans Rosling's website\textsuperscript{114} on income inequality: http://www.gapminder.org/videos/ or Windy Films\textsuperscript{115} - for its visual storytelling of impact such as: Vineyard Cup\textsuperscript{116} and Sanaria\textsuperscript{117}.

**Presenting your material more convincingly**

Whichever medium you choose to communicate your work and its effect, the balance to keep in these forms of presentation is to showcase data with the story while being honest and robust. Given that this is your interface with the public, who will assess and judge you for your efforts, it would be tempting to inflate or contextualise in such a way that you distort the findings. Not only does it make you look bad, it also leads to poor decision-making as the basis for your decisions rests on measures that are grand but do not make a difference.\textsuperscript{118}

Most investors we spoke with do not rely on RCTs for robustness. As mentioned above, comparison is one way to make your impact convincing. You can compare within your portfolio, similar business models (e.g. domiciliary care)\textsuperscript{119}, to your industry (e.g. microfinance) or through abstraction to monetary terms. There are benefits to standardisation, such as time-effectiveness and the ability for comparison to understanding what impact have been achieved.

Then there are other ways of portraying the change you achieve by contextualising with qualitative stories. However stories need to be carefully chosen to either portray a typical issue or portray a multitude of angles and thus a range within and breadth of one area.

**Checklist**

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<th>Question</th>
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<td>Do you know in what form will you present impact data?</td>
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<td>Are you relying on external software for analytics and presentation?</td>
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<td>Have you considered how to structure your annual report effectively?</td>
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<td>Have you thought about how to present how you and your SPOs make a difference and considered alternatives such as videos?</td>
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\textsuperscript{113} Gates-Google Collaboration, available at http://gcgh.grandchallenges.org/videos
\textsuperscript{114} Hans Rosling, available at http://www.gapminder.org/videos/
\textsuperscript{115} Windy Films, available at http://windyfilms.com/
\textsuperscript{116} Windy Films, Vineyard Cup, available at http://windyfilms.com/vineyard-cup
\textsuperscript{117} Windy Films, Sanaria, available at http://windyfilms.com/sanaria
\textsuperscript{118} Greenpeace, Mobilization Lab, 2015
\textsuperscript{119} See AVPN Case study on Bridges Ventures, available at https://avpn.asia/2016/02/22/portfolio-management-bridges-ventures/
# CASES FOR DIFFERENT SOCIAL FUNDERS IN ASIA

## 1 CSR/ CORPORATE FOUNDATIONS

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<td>Mars Catalyst</td>
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<td>Microsoft Japan</td>
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<td>The Happiness Foundation</td>
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## 2 GRANTMAKERS/ FOUNDATIONS

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## 3 VENTURE PHILANTHROPY

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<tr>
<td>Japan Venture Philanthropy Fund</td>
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<td>Nexus for Development</td>
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## 4 IMPACT INVESTING FUNDS

<table>
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<tbody>
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<td>Rianta Capital Zurich’s Artha Initiative</td>
<td>65</td>
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<td>SOW Asia</td>
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<tr>
<td>RS Group</td>
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## 5 WEALTH MANAGEMENT

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<th>Wealth Management Corporation</th>
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## 6 GIVING CIRCLES

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<td>Dasra</td>
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## 7 SOCIAL ENTERPRISE

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</table>
**Case Study**

**Mars Catalyst**

catalystcuratedcontent.com

*Economics of Mutuality is an alternative ‘correlative capitals’ business model to the Milton Friedman Chicago School of Business model of financial capitalism, and endeavours to be adaptable to other businesses. The simple, stable and actionable metrics were developed involving many partners, experiments and revisions.*

**DIMENSIONS**

Mars shareholders had a holistic view seeking to determine a ‘right level of profit’ that would promote value chain stability and business sustainability. In 2007, the “intentional business model” was introduced and in 2009, Mars pioneered the Economics of Mutuality (EoM), launching multiple pilots to enable a transition from a profit maximisation business model to a holistic value optimisation approach incorporating People, Planet and Profit Dimensions (3Ps) through simple, stable, actionable and non-monetised metrics. In 2014, EoM went public.

EoM assumes that business behaviour can only be meaningfully altered through measurement. Mars measures the business contribution, for example after two years Maua is 11%+ of the Kenya business (Profits) and addresses root causes (People and Planet). Collecting data and measuring holistic impact continuously along the Maua value chain is a promising work in progress. Mars does not currently compare results with other organisations. The different business units are separate, but do not aggregate for performance management. Similar business models have the same KPIs – aggregated for reporting purposes.

**FRAMEWORKS**

Customised EoM metrics, measuring 3Ps in a non-monetised way that is simple, stable, and actionable for business.

**IMPLEMENTATION**

Partners are satisfied that the framework is high-quality, twice peer-reviewed, and provides them with insights and hence are interested in implementing it. Mars uses and tests many types of data acquisition. People data is collected quarterly and social performance is measured annually. Mars has an internal team (Catalyst), other business units and third parties for impact assessment.

**PRESENTATION**

Mars shared findings in 2014 with the World Economic Forum in Davos through a special journal on mutuality in business, and also produced short videos for the Economics of Mutuality [here](https://vimeo.com/128297310) and the EoM-based Maua initiative [here](https://vimeo.com/128294699).
Microsoft Japan has a robust application of SROI with holistic stakeholder involvement and focuses on the communication of results. It also aims to provide the government with effective and efficient models for youth engagement.

**DIMENSIONS**

Microsoft introduced the SROI methodology to evaluate the impact of the two most significant citizenship programmes: YouthSpark (promote computational thinking and computer science among underserved youth); and disaster recovery efforts following the East Japan Great Earthquake. The team believed that it was the right methodology to capture the whole theory of change; from inputs, outputs and outcomes to broader economic and social impact.

For YouthSpark, Microsoft Japan partnered with SROI pioneer, Prof. Tsukamoto. This allowed the team to include broader measures of social impact, such as mental and physical well-being of beneficiaries and families. It also allowed them to contextualise the programme as part of the effort to reduce the opportunity divide in Japan, for instance by estimating the contribution of the programme to concrete social outcomes.

For the recovery efforts in East Japan, the biggest benefit was the opportunity to engage with different types of stakeholders, from disaster victims to NPOs and government officials, to capture a richer description of the impact on the ground. Arriving at a clear view of social and economic impact per dollar invested in the programme was a very helpful internal and external communication tool.

**FRAMEWORKS**

Microsoft Japan uses SROI and customise through academics and stakeholder conversations.

**IMPLEMENTATION**

Microsoft NPO partners found that the data collection process was too long and complex and believed that their resources were better spent on supporting programmes. So Microsoft Japan decided to significantly reduce the reporting timeline (from 1.5 – 2 years to annual reporting) and number of questions. The team, often underscores how the data collection process itself can help NPOs improve programme design. When NPOs see the scale of their impact, they appreciate the value of impact assessment.

**PRESENTATION**

For external, 3rd parties (academic papers, white papers, media articles). For internal management, high-level executive summary and then dive into report if needed.
The foundation’s understanding is that the tool itself is not the most important aspect of impact assessment. It is cognisant that SROI has certain drawbacks but what matters is the idea of quantifying impact into measurement so both the investor and investee can talk about how to improve and how much progress to make.

DIMENSIONS
The Happiness Foundation’s motivation for impact assessment comes from the need for performance management of investees. To define indicators, the foundation first examines potential investees’ social mission by checking addressed social problems and the intervention. Then, the foundation evaluates SPOs social outcomes for the past three years and forecasts them for the next three years. After the investment is carried out, the foundation tracks investees’ performance.

The foundation focuses largely on measuring the contribution of investees. Although the foundation does not consider additionality in the process of measuring social outcomes, the foundation tries to screen-out enterprises with negative outcomes in the DD process.

The foundation’s impact is the sum of the investees’ contribution. It compares the amount of social value each company creates in a time series manner but not across companies because each company’s social value is incomparable across different sectors and business models.

FRAMEWORKS
The foundation uses an SROI-like evaluation framework to value a portfolio company’s social value. It applies the general framework of SROI but does not count for additionality.

IMPLEMENTATION
As SPOs have social missions to accomplish, they are already keen on understanding their social impact. The foundation advises SPOs how to improve and maximise. To motivate improvement and measurement, the foundation gives incentives, such as deducting an interest on convertible bonds or dividends on common/preferred stocks, for social impact. Investment managers are responsible for impact assessment and are the point of contact between the foundation and the SPOs.

PRESENTATION
Publishes annual reports with impact data

More at http://www.skhappiness.org/board/fiscal.jsp
Case Study

Epic Foundation
epic.foundation

Successful in integrating monitoring and evaluation throughout the value chain; Epic Foundation is able to connect impact measurement upstream to their due diligence process and are fully integrated for monitoring downstream to allow for smart connection and experience of donors of their impact. In the process of piloting an innovative, web-based system that will provide full integration of Epic's monitoring system with that of its SPOs.

DIMENSIONS

Epic Foundation has a robust method of due diligence collecting information on 15 parameters, which are used for its impact assessment system to track the SPOs performance. Has standardised assessment method for all grantees customised depending on organisation (social enterprises v/s NGOs). Methodology allows for rigorous comparison of SPOs during due diligence and monitoring.

Epic advocates for working across silos and actively leverages the insights of over 100 partner organisations to look for additionality and complementarity to Epic Foundation in the due diligence and impact assessment.

FRAMEWORKS

Epic conducted extensive review of existing frameworks and learnt from many organisations such as Robin Hood Foundation (USA), Dasra (India), Echoing Green (USA), OECD and the UN.

IMPLEMENTATION

Epic is mindful of the SPOs, time and worked to design a system of collecting and storing information that is efficient and user friendly. At due diligence, 15 parameters are decided on. When it comes to monitoring, SPOs then continue to fill information for the same 15 parameters via simple web based forms. Their overall approach is a highly collaborative exercise with supported SPOs (‘Monitoring and Collaboration’, M&C).

The intended purpose is to work together towards understanding what is working on the ground as a key information for the SPO, Epic and its donors. Epic invests heavily in IA and believes “we should put our money where our mouth is”: Epic believes that for funding high impact organisations it is imperative to measure the impact rigorously and be ready to bear the costs.
Case Study

Social Ventures Hong Kong

Social Ventures Hong Kong has tried a number of approaches since 2007 and has developed a customised approach based on individual business models.

DIMENSIONS

Social Ventures Hong Kong (SVhk) developed the impact assessment framework after surveying existing knowledge. In the process, SVhk developed their theory of change and consulted with management on the priorities for impact assessment and the portfolio organisations on relevant metrics.

SVhk divided their portfolio into two broad categories based on their degree of engagement. For companies with lower engagement levels, SVhk measures their contribution to the lives touched. For companies receiving capital and active incubation support, metrics are more in depth and sector based. SVhk claim some attribution to the SPO’s impact since their support has been critical for the survival and growth of the SPO. Aggregation at portfolio level is low due to different sectors and different business models, but key metrics are aggregated.

FRAMEWORKS

SVhk used the Bridges Ventures Impact Radar as a learning point but developed their own customised set of metrics based on individual business models.

IMPLEMENTATION

The qualitative assessment done before this framework was time-consuming, so portfolio companies were fine to switch. SVhk still consulted with the enterprises on relevancy of metrics.

Since their methodology was a revision for an ongoing portfolio, SVhk did not do a baseline, but consolidated numbers from the year before as the starting point. Now they follow quarterly reporting for review and yearly consolidation. There is no budget for impact assessment, so they use internal resources and time.

PRESENTATION

Reports to the board, qualitative stories are some of the ways they present impact. Rely on using infographics to make it more engaging and accessible for the reader.

A Guide to Effective Impact Assessment

Case Study

Japan Venture Philanthropy Fund

Japan Venture Philanthropy Fund has developed its customised version of impact assessment using theory of change and logic models and widely available tools like Excel. The fund develops key performance indicators with its portfolio organisations during due diligence to ensure alignment.

DIMENSIONS

Japan Venture Philanthropy Fund (JVPF) is managed by the Nippon Foundation and Social Investment Partners, who jointly fund and support organisations with pro-bono partners such as Bain & Company Japan, Inc., Clifford Chance Law Office and VOX Global Japan K.K.

During due diligence, JVPF supports candidates to build a mid-term management plan including a social impact creation plan.

After investment, investees’ reports are customised to each organisation, although some are in the same sector (e.g. education), because beneficiaries and social impact vary in each organisation.

FRAMEWORKS

JVPF uses the theory of change and logic model to define milestones towards the organisation’s long-term goal. Japan Venture Philanthropy Fund and the investees develop KPIs together.

IMPLEMENTATION

Investment only occurs when the investee has an understanding of its beneficiaries and social impact. Due diligence can take three to six months.

After investment, different metrics are reviewed monthly, quarterly and yearly. Japan Venture Philanthropy Fund uses Microsoft Excel for storing and analyzing data.

PRESENTATION

Quarterly and annual reports to communicate the social impact data to its stakeholders. Multiple events per year to report social impact to existing and potential donors.


www.avpn.asia | 63
Case Study

Nexus for Development
nexusfordevelopment.org

Nexus for Development works collaboratively to realise economies of scale and access to finance for its members and partners. Nexus facilitates South-South knowledge sharing and lessons learned among its 23 members to support and scale up low-carbon development projects. Nexus also connects with corporates looking to engage in CSR.

DIMENSIONS

Nexus impact assessment framework so far builds on the carbon certification process and therefore requires significant data collection and monitoring. To gain carbon credits, SPOs need to demonstrate CO2 emission reductions and additionality of finance, meaning the project would not be possible without raising these funds.

Nexus has been assessing the SROI of the projects, as Nexus tries to quantify the social and economic benefits of the projects it supports for individuals and communities. Given the diversity of sectors and geographies where they operate, it is difficult to compare their impact with other organisations and aggregate results at portfolio level.

FRAMEWORKS


IMPLEMENTATION

SPOs self-select Nexus on the need for impact assessment as carbon accounting requires technical expertise and is a pre-requisite to access carbon credits. Only businesses that can deliver sufficient emission reductions are supported.

Once carbon credits monitoring is in place, collecting additional socioeconomic data for beneficiaries is not a challenge. The first impact results – social, health, economic and environmental – can happen quickly but the monitoring happens after one to two years. Location of the business (local or international), business model and sample size affect the budget for assessment. Monitoring costs range from USD 30,000 to 100,000 per year.

Two staff at Nexus are carbon project experts. Nexus also relied on the support of academics to apply the SROI methodology.

PRESENTATION

In the brochures, social media and its own website, the most impactful numbers like reductions in emissions, respiratory diseases, required time and increases in acres of trees/forests and quality of life are highlighted.
Case Study

Rianta Capital Zurich’s Artha Initiative

This group has emerged from a unique context and exemplifies an initiative strategically guided by the values, vision and priorities of a single family office.

DIMENSIONS

Rianta Capital advises the Singh Family Trust and their associated entities in investments in companies that are scalable, create livelihoods and increase per capita incomes.

Impact is at the core of their investment rationale. These interventions occur through a programme called the Artha Initiative, and all investments today are systematically made in syndication with other funding partners who share their values and their approach to patient capital over extended time frames. Artha does spend time calculating the attribution of relative outputs to their intervention per se, but they are conscious of their catalytic role as an early-growth stage supporter of high impact enterprises. They do aggregate impact data from among their portfolio companies for reporting purposes.

FRAMEWORKS

Artha has reviewed and drawn ideas about impact reporting from IRIS and other funds like Bridges Ventures Impact Radar; they have developed their own framework upon review of a range of methodologies. This framework benchmarks a number of priority areas in a scorecard format that adheres to the objectives of the family they serve.

IMPLEMENTATION

In more recent investments, Artha includes some impact assessment reporting criteria in term sheets, but in earlier investments did not integrate these elements in a systematic fashion. Frequently, they interact with their older investee pool through use of a survey instrument to establish progress against impact baselines. Artha tends to collect such data bi-annually/quarterly.

PRESENTATION

Rianta Capital’s Artha Initiative uses snapshots and aggregated scorecards to present their portfolio performance for internal purposes only. In 2016, they are actively exploring the use of various tools and apps to support the presentation of impact narratives and data capture, as well as spearheading (with several partner platforms) attempts to create interoperable API level solutions for technology platforms in the impact arena. Artha’s overt goals are designed for optimising collaboration amongst like-minded investors with shared values.
**Case Study**

**SOW Asia Foundation**
sowasia.org

*SOW Asia Foundation is an early-stage impact investor with significant capacity building activities based in Hong Kong.*

**DIMENSIONS**
SOW Asia looks primarily at the problem and the solution within an addressable market and the quality of the team. SOW Asia is aware of the issues of additionality and attribution but is not sure if they have been able to address the challenges in answering them.

While it has strong anecdotal evidence to prove its value-addition through the two accelerator programmes, there is not an exclusive causal link between these programmes and the success of the enterprises, nor should this be the case.

**FRAMEWORKS**
SOW Asia tested the SROI framework but cited cost and complexity for smaller enterprises as the big challenges to easy adoption.

SOW Asia is currently using in-house scorecards to measure the economic performance and social value creation against the initially agreed objectives.

**IMPLEMENTATION**
SOW Asia is cognisant that gathering and reporting impact numbers is a challenge. It tried to address this by designing metrics that allow for data to be used for making business decisions. This makes data valuable for more than just reporting with greater buy-in.

**PRESENTATION**
Most of the reporting is done through internal documents and for performance management.
Case Study

RS Group
rs grp.asia

*RS Group is one of very few impact investors to generate impact via a multi asset-class portfolio, ranging from public equity/debt, impact investing and philanthropy, managed collectively through a “Total Portfolio Management Approach”.*

**DIMENSIONS**

Under the “Total Portfolio Management Approach”, all available assets within the portfolio contribute to its mission for impact and performance, ranging from philanthropic to near market and market rate capital. Impact is generated from local community levels to macro systemic levels, with a goal for the portfolio to generate a holistic and integrated set of value creation – referred to as “Blended Value”.

**FRAMEWORKS**

RS Group measures and manages performance across the portfolio; in the process, it has faced the following challenges in capturing an integrated assessment of its total portfolio:

- Strategy evolvements over time affecting its ability to develop a unified performance metric framework from the outset;
- The varied stages of organisational development of investees and grantees; and
- The lack of a universal measurement system.

As a result, RS group measures each of its asset class by different parameters. Standardised metrics may be available for certain asset classes (e.g. measurement of ESG standards and carbon footprint in public equity and debt funds and IRIS metrics for impact investments), while customized metrics might be required where no standard indicators exist (e.g. philanthropy).

RS Group believes that being a multi-asset class portfolio has provided access to a wider variety of opportunities and flexibility in choosing the most appropriate instrument via which to generate the impact they seek.

**IMPLEMENTATION**

Fund managers and philanthropic grantees provide ongoing reporting on mutually agreed impact indicators, and RS Group also conducts annual review calls with all its invested fund managers. In addition, RS Group engaged Sustainalytics and B Analytics on a project basis to provide additional data on carbon footprint and IRIS-based impact metrics respectively.

**PRESENTATION**

To share their journey and attract others to join their path, RS Group launched a 5-year impact report ([http://report.rsgroup.asia](http://report.rsgroup.asia)) in May 2016.
Case Study

Lombard Odier
lombardodier.com

Lombard Odier offers an easy access to impact investments, through a fund of funds (FOF) that finances the development of access to basic services for low income populations in emerging and frontier countries. They have developed a methodology to assess and compare the impact of different investment solutions, thus bringing a degree of standardisation in the space.

DIMENSIONS
On one side, more and more impact investors are willing to invest for good. On the other side, there are a lot of quality SPOs that need financing. Lombard Odier believes that banks have a role to play in designing impact investment solutions adapted to typical investors, in order to convey capital from one side to the other.

The impact investment market is fragmented and composed of small funds with little track record. Investors need expertise to select the best players, both financially and from an impact perspective, but also to provide them with diversification, scale and liquidity. This is how Lombard Odier contributes to the market.

FRAMEWORKS
First, Lombard Odier measures the impact performance at the FOF portfolio level by aggregating data by sectors. For microfinance for instance, it consolidate the average loan and the number of micro entrepreneurs financed.

Next, it analyses each fund through five dimensions: pre-investment impact analysis, social reach, alignment of values, impact measurement and impact management.

Finally, it brings to light on the qualitative aspects of the impact, using stories to highlight the main trends, have in-depth beneficiary profiles to convey the granular impact.

IMPLEMENTATION
Before investment they check for the intentionality of having a tangible impact and ask for a theory of change. The quality of the impact thesis and metrics being collected, as well as the five dimensions described earlier, are part of their due diligence.

PRESENTATION
It provides investors with a comprehensive social impact report every year, comprising every details of their impact assessment approach. A quarterly newsletter focuses on concrete investee companies, and explain how they positively impact the society.

<table>
<thead>
<tr>
<th>Type of Funder</th>
<th>Wealth management</th>
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<tbody>
<tr>
<td>Geography</td>
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<td>Sector</td>
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<td>Stage of Development</td>
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</tr>
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<td>Audience</td>
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</tr>
<tr>
<td>Motivation</td>
<td>Internal usage and reporting to investors</td>
</tr>
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</table>
Case Study

Dasra
dasra.org

Over the last 16 years, Dasra has developed a robust, continuous impact assessment framework using Balanced Scorecard with IRIS and other indicators. Its process is also marked by close collaboration with and empowerment of grantees in the evaluation process. Dasra also champions gender transformative evaluation.

DIMENSIONS
Dasra’s work spans three buckets - Capacity Building, Fundraising, Research. Dasra works with philanthropists, foundations, corporate CSR programmes and international aid agencies to channel funds via leveraged funding, giving circles and collaborative funding to organisations. Dasra constructs logic models for each bucket and shortlists indicators. These are integrated into the Balanced Scorecard, quarterly reports and Dasra’s external communication on its impact. Activities are reported as outputs/contributions. Measuring attribution remains a challenge. A few key indicators are aggregated across buckets, and then across sectors. Overlaps are called out. Specific programme indicators are captured for specific donors (e.g. girls’ health and empowerment indicators for USAID).

FRAMEWORKS
Theory of change, Outcome mapping, OECD DAC evaluation criteria, logic model, Standardised (IRIS) and customised indicators, balanced scorecards. Dasra’s engagement with bilaterals and foundations like USAID, the Gates Foundation etc has pushed a gender transformative evaluation agenda.

IMPLEMENTATION
Five to six months to develop the logic model and two to three months for data collection. For organisations, first results are seen within three months of implementation. Results on outcomes can take three to five years. IA is done by a team of two at the Dasra level and by another specialist at the portfolio level, leadership and entire organisation is aligned and involved. Dasra facilitates organisations’ engagement from design over management and communication to use of IA and encourages benchmarking results. Grantee challenges are budgetary and capacity-related. Dasra encourages grantees to allocate around 15 percent of the budget for impact assessment and to help hire impact assessment staff.

PRESENTATION
Results are communicated quarterly to donors, internally via a management dashboard and externally in annual reports. Dasra support organisations to disseminate findings, systems and processes as briefs, blogs, conference presentations for building credibility, learning and reflection.
Case Study

Kopernik
kopernik.ngo

The use of digital data collection apps and skilled enumerators in the field has enabled Kopernik to rapidly collect large data sets across Indonesia.

**DIMENSIONS**

Typically, Kopernik begins by developing the programme’s theory of change and logic model, mapping out two stages of outcome — intermediate and long term outcomes. Additionality and attribution are more complex questions and at this stage, the organisation primarily focuses on contribution. Kopernik tracks outcomes over time and some assessment of additionality can be derived by looking at a control group and analysis of baseline data. When programmes have a similar theory of change and key indicators, it is easier to aggregate. However, Kopernik thinks not everything is comparable and it is important to make that distinction when presenting impact data.

**FRAMEWORKS**

Kopernik developed its own impact assessment frameworks for women’s empowerment and technology adoption by drawing upon multiple frameworks and indicators used by peers. The women’s empowerment framework shares a number of indicators used and promoted by groups like Energia, ExxonMobil Foundation and WOCAN.

**IMPLEMENTATION**

Kopernik uses a number of ‘impact tracker technologies’ – ICT tools designed for Monitoring and Evaluation (M&E) and communication – based on their own research. For data collection, Kopernik has adopted digital applications (Magpi and CommCare), however continue to work on improving the quality and consistency of the data collected. Other impact tracker technologies include SMS platforms and remote sensors. For big projects a baseline survey is conducted within one month of recruitment (sales agents) and baseline surveys are conducted closer to the date of purchase of the product. They build approximately 10% of the total budget for M&E when pitching for projects.

Kopernik looks for grant funding to fund impact assessment for bigger projects. It has a dedicated team with an overlap with portfolio managers.

**PRESENTATION**

The website is Kopernik’s primary tool and presentation includes impact snapshots, blogs with impact stories and engaging photos and write ups. Kopernik also relies on social media to communicate their impact. In the future, Kopernik plans to publish more impact assessments both aggregated across relevant programmes and at the project level.
RECOMMENDED RESOURCES
Recommended Resources

Instead of giving you an alphabetic bibliography, we split up the resources by section and also indicate whether it gives you an overview, another example in the shape of a case study or practical guidance or a tool. These distinctions may enable you

- to find the resources to learn more generally (overview reports) or specifically (case studies)
- and to eventually jump into action (with practical guidance or tools).

All weblinks were checked for access on 09.04.2016.

**Audience, Motivations and Profiles**

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**Defining and comparing Impact Assessment**

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What is Impact? What is Impact Assessment?

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Getting Started – Theory of Change and Logic Model - Dimensions of Impact Assessment

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See above for report by EVPA, 2015
AVPN | Venture Philanthropy Practices in Asia

### Learning fromExisting Frameworks

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See above for Mapping a Theory of Change by Grant Craft – a service of the Foundation Center
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### Implementation

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<td>Overview and guidance</td>
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Methodology

Over the summer of 2015 we started surveying the literature on impact assessment. It seems that there is an abundance of guides, cases and tools and nothing else to say on this topic. However, AVPN members and the public kept asking us questions on how to get started, how much they should budget, whom they can learn from and how to actually do the impact assessment.

Despite the array of already available guides we decided to understand what is needed. We compiled questions asked and distilled them into the five areas found here. Given the questions we received, we decided to start with the basics and synthesise what we know about drawing up a theory of change and logic model and how this connects with impact assessment. Finally, we also wanted to make this practical by diving into issues of costs and time and to convince grantees. One part of the writing this guide then was to draw together the abundant literature, understand the common issues and make solutions accessible and actionable.

Another part of writing this guide was to understand how this was practiced. To this end, we contacted organisations from different points on the spectrum from grant making, social-first investors over blended value impact investors to seemingly mainstream wealth management and corporate functions and asked them about their dimensions of impact assessment, the design of their frameworks, implementation and presentation. These are not typical or best cases, but if we learned anything then it is that there is no typical or best impact assessment. Good impact assessment aims to further the conversation on impact and work towards acting on insights. The case studies validated our findings and the practical solutions we identified and now also provide you with insights into how your peers are doing impact assessment.

Finally, the resources guide in the end is structured in such a way that you can find either overview to further your understanding, a case study to see how others are doing impact assessment or a tool and guidance to help you get started on or perfect your approach.
ESG
ESG (environmental, social and governance) is a generic term used in capital markets and used by investors to evaluate corporate behaviour and to determine the future financial performance of companies. ESG factors are a subset of non-financial performance indicators which include sustainable, ethical and corporate governance issues such as managing the company's carbon footprint and ensuring there are systems in place to ensure accountability.

Global Reporting Initiative (GRI)
GRI is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. The GRI Sustainability Reporting Guidelines (including the G4 guidelines) offer Reporting Principles, Standard Disclosures and an Implementation Manual for the preparation of sustainability reports by organisations, regardless of their size, sector or location.

Indicators
Indicators are the specific variables that are tracked to demonstrate the delivery of outputs and outcomes. Indicators may relate to direct quantities (e.g. number of hours of training provided) or to qualitative aspects of the change (e.g. levels of beneficiary confidence). An effective impact measurement system will incorporate a number of indicators, or an ‘indicator set’.

Input
Resources put into a programme for its establishment and implementation. Examples are money, staff, time, facilities, equipment. etc.

Logic Model
A visual representation of how your programme works – a “picture” of your programme. A logic model includes what you put into your programme (resources), what you do (activities), and what you plan to achieve (outputs and outcomes).

Outcome
Outcomes are the ultimate changes one is trying to make in the world, as well as the intended and unintended side effects of the business. It includes specific changes in attitudes, behaviors, knowledge, skills, status, or level of functioning expected to result from programme activities and which are most often expressed at an individual level.

Output
Outputs are the direct results of programme activities. They are usually described in terms of the size and/or scope of the services and products delivered or produced by the programme. They indicate if a programme was delivered to the intended audiences at the intended “dose.” A programme output, for example, might be the number of classes taught, meetings held, or materials produced and distributed; programme participation rates and demography; or hours of each type of service provided.

Social Purpose Organisation (SPO)
Social Purpose Organisation or Mission Driven Organisation operate with the primary aim of achieving measurable social and environmental impact. Social purpose organisations include charities, non-profit organisations, and social enterprises (registered as e.g. Community Interest Companies, cooperatives or Industrial and Provident Societies, limited companies).

Social Return on Investment (SROI)
SROI is a framework for measuring accounting for how much value is created and destroyed by a programme or intervention and for whom. It includes three types of return which can be expressed qualitatively or quantitatively, however, there is a strong emphasis on quantification and monetisation.

Theory of Change
The theory of change, Impact thesis or causal model represents how a social purpose organisation achieves its impact by linking the organisation to its activities, and the activities to outputs, outcomes and impact. The impact chains form the central line running through the impact plan with each linkage to the outcome explained by the assumption made.

Venture Philanthropy Organisation (VPO)
A VPO provides long-term financing to SPOs operating with the principles of venture philanthropy. A VPO may use grant making (donations) or social investment (equity, debt, etc) approaches to funding SPOs, together with non-financial support.
About AVPN

The Asian Venture Philanthropy Network (AVPN) is a membership network headquartered in Singapore that seeks to increase the flow of financial, human and intellectual capital to the social sector, and to improve the social impact effectiveness of members across the Asia Pacific region.

We promote venture philanthropy in the broader philanthropic and social investment communities and provide specific networking and learning services to meet the needs of our members.

We have over 280+ organisations from 28 different countries spanning from various different sectors. We are building a cross-sector network bringing together organisations and individuals from finance, business and the social sector. Our members include private equity firms, private banks, wealth management institutions, other financial services organisations, professional service firms, family businesses, corporations, foundations, universities and government related entities.

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AVPN is a registered charity in Singapore (UEN: 201016116M)