

# **Methodology and tools to assess Social Impact**

## **Learning Unit #14**

### **The University of Rome "Tor Vergata"**

# Content

**01** The “Theory of  
Change” and its  
process

**02** The Social Return on  
Investment (SROI)  
model

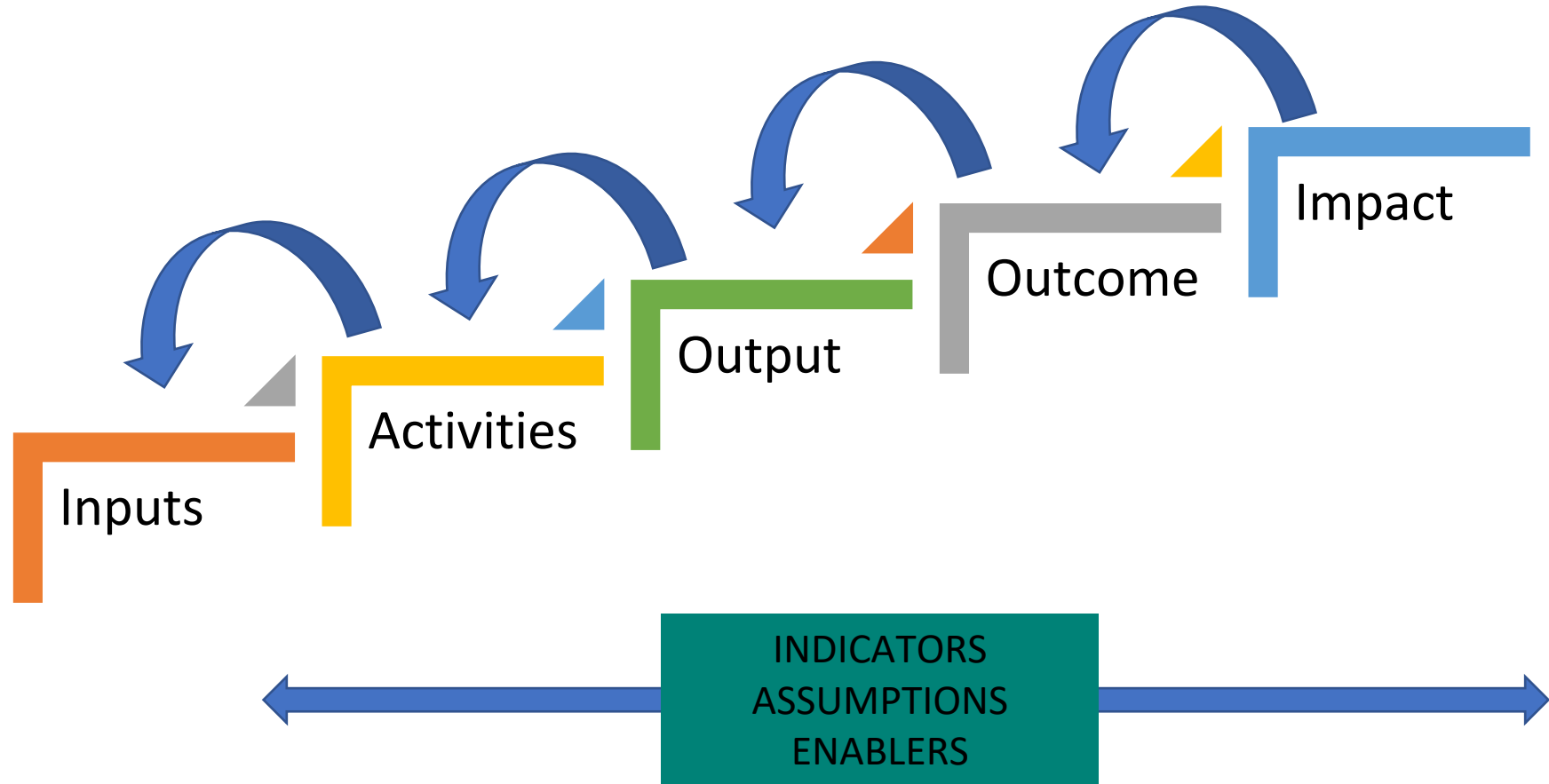
# What is Theory of Change



ToC

Rigorous yet participatory process whereby groups and stakeholders in a planning process articulate their long-term goals and identify the conditions they believe have to unfold for those goals to be met. These conditions are modeled as desired outcomes, arranged graphically in a causal framework. (Taplin & Clark, 2012)

# The Process: Backward mapping



# How to build a ToC

1 - Identifying long-term goals and the assumptions behind them.

2 - Backward mapping from the long-term goal by working out the preconditions or requirements necessary to achieve that goal and explaining why.

3 - Voicing your assumptions about what exists in the system without which your theory won't work, and articulating your rationales for why outcomes are necessary preconditions to other outcomes.

4 - Weighing and choosing the most strategic interventions to bring about your desired change.

5 - Developing indicators to measure progress on your desired outcomes and assess the performance of your initiative.

6 - The quality review should answer three basic questions: Is your theory 1) plausible, 2) "doable" (or feasible), and 3) testable?

7 - Writing a narrative to explain the summary logic of your initiative.

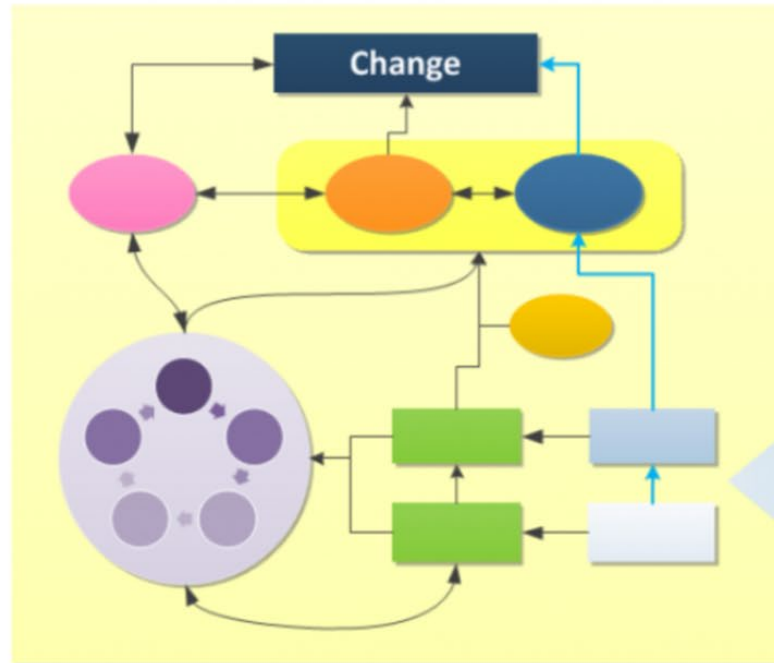
# From the Logical Framework to the ToC

- ToC gives the «big Picture» and summarises work at strategic level

- Logical Framework illustrate a programme (implementation) level understanding of the change process

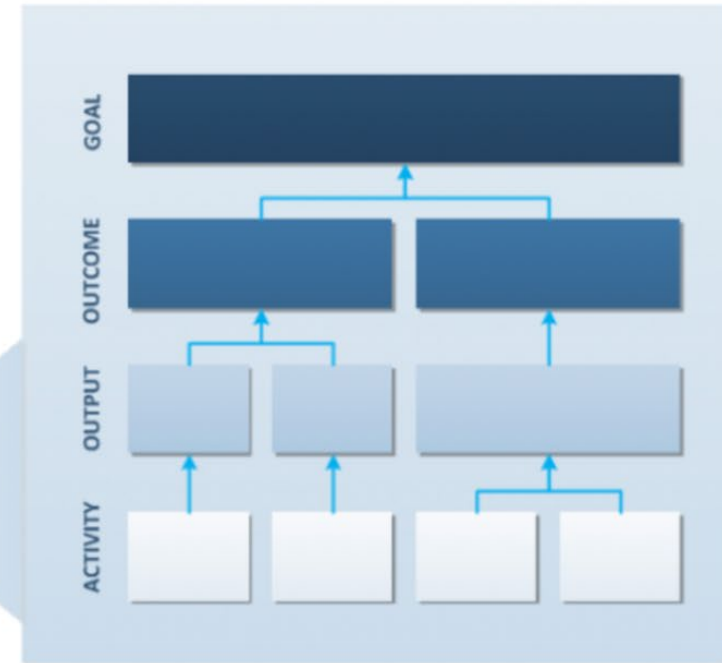
## Theory of Change

Shows the big picture with all possible pathways – messy and complex



## Logical Framework

Shows just the pathway that your program deals with – neat and tidy



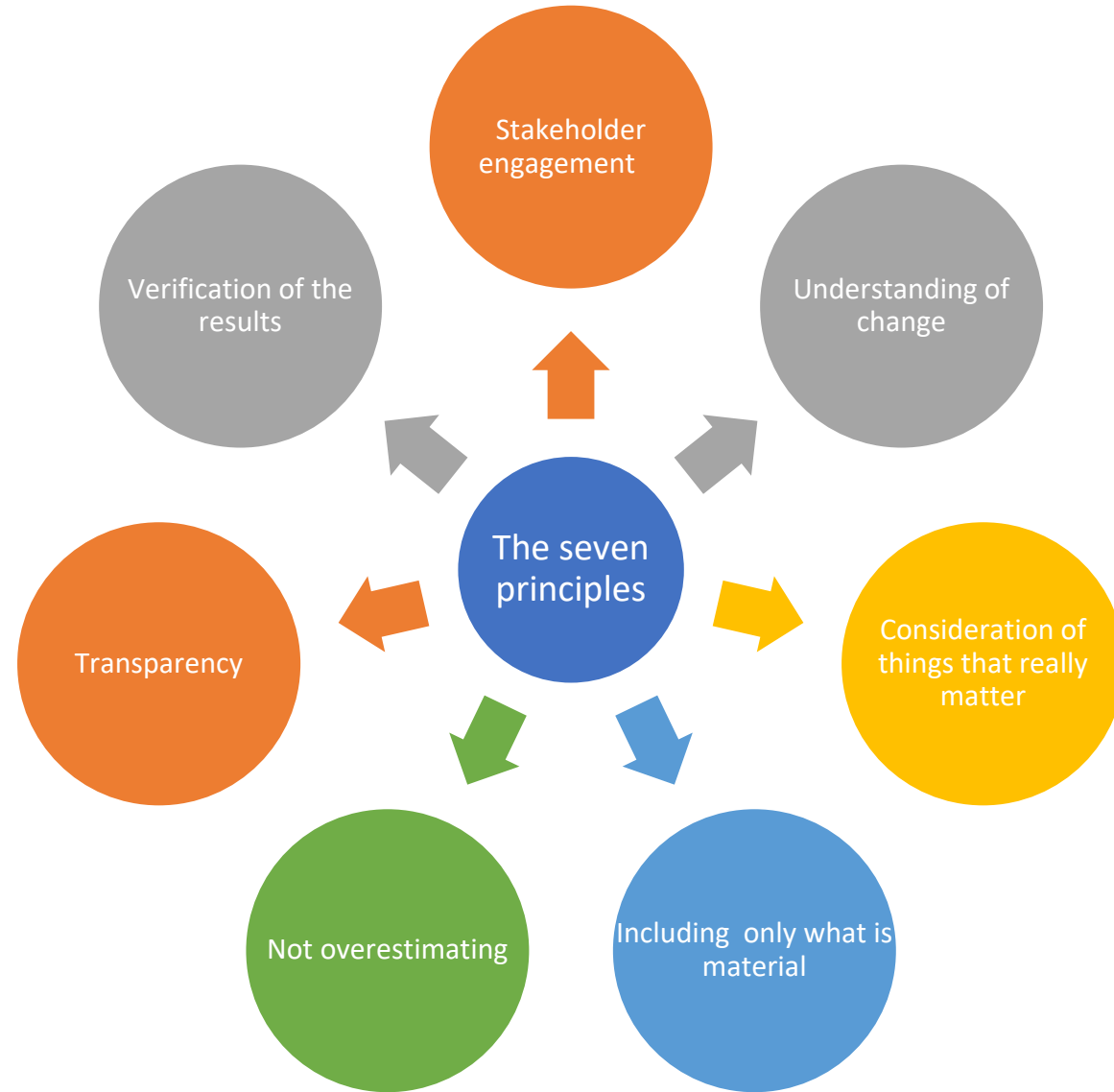
*Piroska Bisits Bullen's, accessed at Tools4Dev <http://www.tools4dev.org/resources/theory-of-change-vs-logical-framework-whats-the-difference-in-practice/>*

# The Social Return on Investment (SROI) model

**SROI**

Methodology that measures the extra-financial value of an intervention net of the resources invested and what would have happened even in the absence of the intervention. The SROI is based on the more traditional cost-benefit analysis and quantifies the social value through indicators associated with the results achieved (Gupta, 2020).

# SROI - 7 Principles





# How to apply SROI model

1 - Establishing the field of analysis and identifying the main stakeholders

2 - Mapping outcomes

3 - Demonstrating the outcomes and valuing them


4 - Defining the impact

5 - Calculating the SROI

6 - Communicating SROI data to stakeholders

# Phase 1: establishing the field of analysis and identifying the main stakeholders.

The first phase of an SROI analysis deals with the typical planning questions of research activity.

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- The purpose of the analysis
  - The audience to which it is addressed
  - The background from which the organization being analyzed starts
  - The objectives, the resources available (both in terms of internal staff to devote, and financial)
  - The choice of expert staff with the appropriate skills to carry out the work
  - The extent of the activities on which the analysis focuses,
  - The period of time
  - Whether the SROI will be of an evaluative or forecasting type.

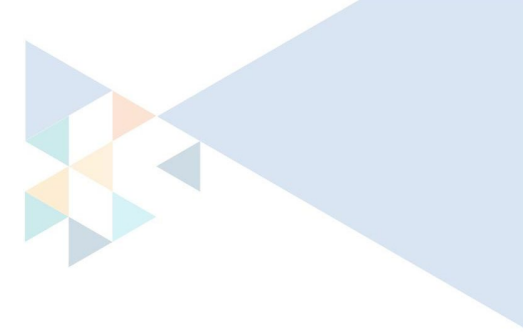
# Phase 2: mapping outcomes

The second phase involves a series of functional activities for an initial systematisation and compilation of the impact map.



the **impact map** provides for the compilation of the fields regarding the quantification and description of the inputs, outputs and outcomes of the project or organization.

# Phase 3: Demonstrating the outcomes and value them

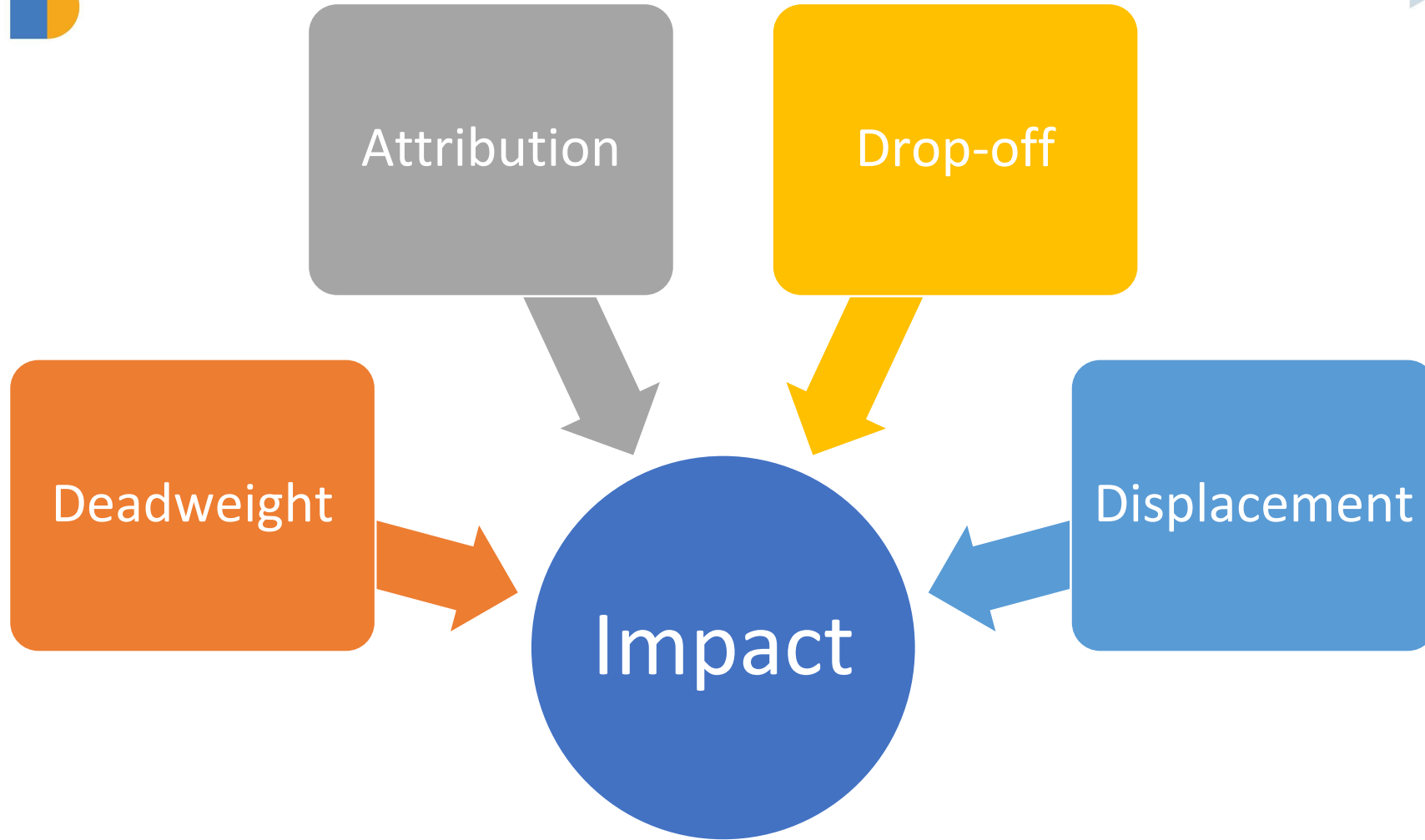


Step 1- Develop outcome indicators

Step 2 - Outcome data collection operations

Step 3 - Establish the duration of the outcome

# Phase 4: defining the impact



# Phase 5: Calculating the SROI

SROI is calculated through 4 steps:

Step 1 - projecting the outcomes into the future according to the relative drop-offs

Step 2 - calculating the net present value

Step 3 - calculating the SROI (SROI = Present value / Input value)

Step 4 - carrying out a sensitivity analysis

# Phase 6: Communicate SROI data to stakeholders

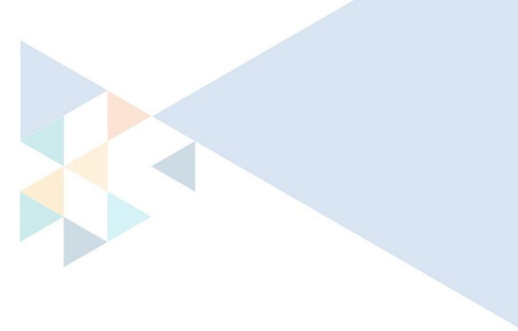
Complete SROI final report content:

- A presentation of the organisation or project, the field of investigation, all the information necessary to describe the stakeholders involved, the methods of investigation and data collection;

- The impact map, the research and the different positions of the significant participants who guided the choice or exclusion of the corresponding indicators and proxies;

- A transparent presentation of the calculations, estimates and the hypothesis.

- A description of the stakeholder engagement process and a summary that is more functional to reach a wider audience.



*Thank you for your attention!*