



# Valuing What Matters: Using the Social Return on Investment (SROI) methodology in international development programs

**American Evaluation Association meeting  
Atlanta - October 2016**

# Pact

- 1971
- Primarily work through CBOs VDCs, CSOs, etc.
- 30 countries
- Integrated approach
- Lauren Serpe – SROI coordinator



# Social Return on Investment (SROI)

- Participatory and iterative
- Mixed methods – skilled evaluators
- Prospective or retrospective
- Financial and stakeholder inputs

# SROI (in-depth)

- FGDs/KIIs
- Financials
- Valuing
- Displacement
- Deadweight (counterfactual)
- Attribution
- Duration

# Calculating the impact....

Duration	Attribution %	Deadweight %	Displacement %	Drop off %
How long does the outcome last?	Who else contributed to the change?	What would have happened without the activity?	What activity did you displace?	Does the outcome drop off in future years?

Fieldwork

# Pact and SROI

- Social Value UK
- Trained 8 staff
- 4 pilot studies
- Myanmar (Jade Lamb, Shae Thot project)
- Kenya/Somalia (Jamal Muktar, BORDERS II)
- Ukraine (Inna Shvab, RESPOND)
- Zimbabwe (Nef Consulting, CSSP)



# Why?

## Methodology

- Participatory
- VfM/efficiency
- Compare approaches
- Adding in costs
- Learning/adapting

## Pact's Global Indicators

- 12 (annual)
- Broad
- Adding in costs
- Higher level measure
- One number







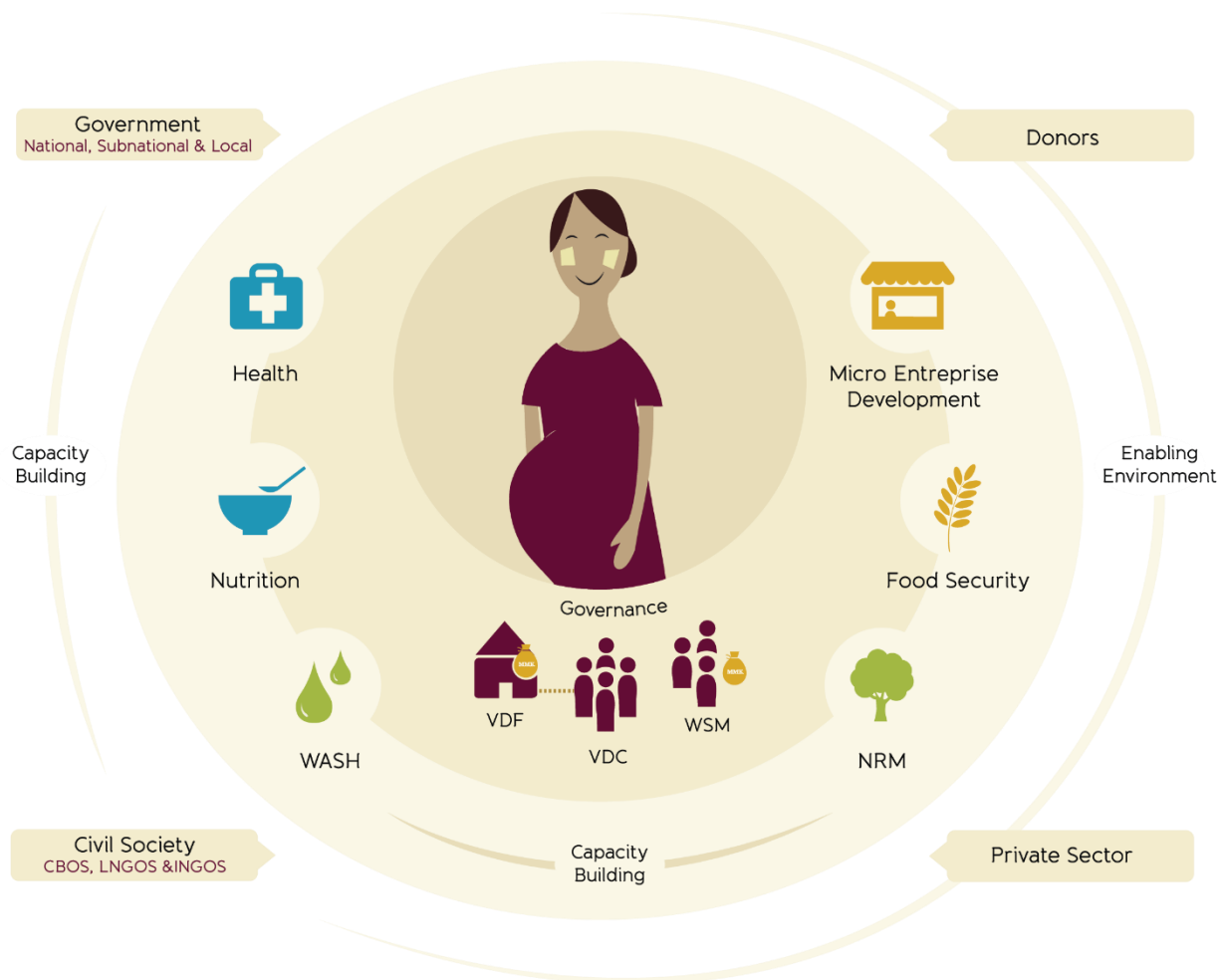
# Social Return on Investment in an integrated project

Jade Lamb (Social Impact) for Pact Myanmar

Thet Nwe, Theingi Tun, Tin Aye Aye Khaing, Elena Gariboldi, Thinn Thinn Latt, and Zarni Soe

October 29, 2016





VDF: Village Development Fund



VDC: Village Development Committee

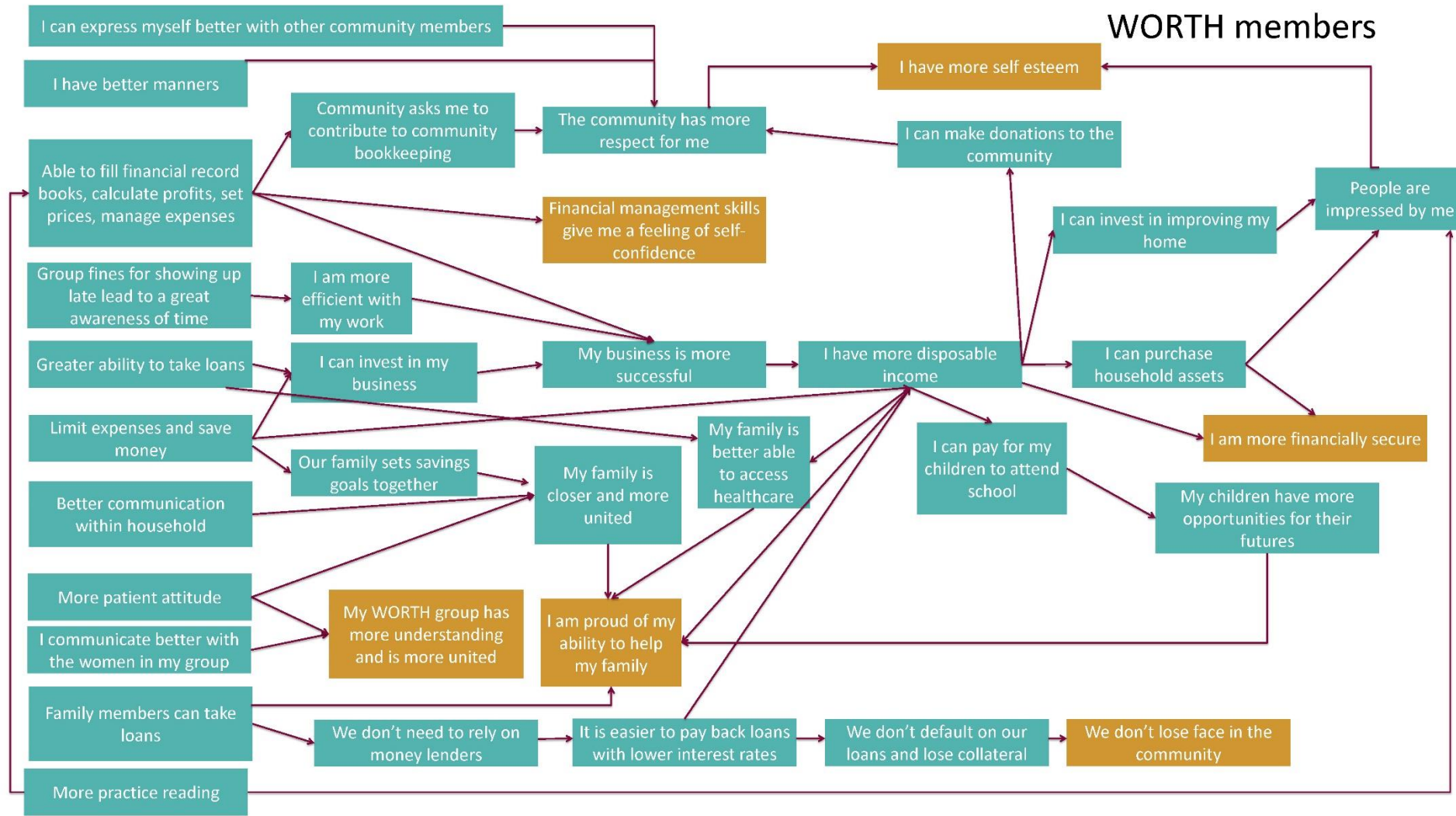


WSM: Women's Savings Led Microfinance

## • Stakeholders

Stakeholder	Involvement in Assessment
USAID	None
WORTH group members	Interviewed as focus groups four times
Empowerment Workers	Interviewed as focus groups four times
Family members of WORTH members	Interviewed as focus groups four times
Village Development Committees	In agriculture areas, interviewed as focus groups two times; in WORTH areas, interviewed three times
Middle men	None
Loan providers	None
Key agriculture volunteers	Interviewed as focus groups two times
Farmers and livestock owners participating in trainings	Interviewed as focus groups two times
Community mobilizers	Interviewed as focus groups two times
Agriculture suppliers	None
Local authorities	Gave permission for fieldwork but were not directly involved in any of the interviews
National/regional government	None

## WORTH members



- Valuation



Stakeholder	# in group	Outcome	Indicator	Data Source	Frequency	Sample Size
WORTH group members	22,112	I have improved pride in myself	change in % of members who say yes to the question, "In your opinion, did villagers accept and acknowledge the activities that you have participated in for village development?"	Baseline/endline survey of members in two townships	17%	493
WORTH group members	22,112	Financial management skills give me a feeling of self-confidence	Change in % who respond that they rate their bookkeeping and accounting skills as good AND who are actively recording their savings	Baseline/endline survey of members in two townships	15%	493
WORTH group members	22,112	I feel better integrated and supported by my WORTH group	% who say that have someone they can go to with problems outside the household AND that this has increased since joining WORTH	Add questions to quarterly survey in one townships (Nov)	21.8%	537

- Calculating Impact

Duration	Attribution %	Deadweight %	Displacement %	Drop off %
How long does the outcome last?	Who else contributed to the change?	What would have happened without the activity?	What activity did you displace?	Does the outcome drop off in future years?

Fieldwork

Staff estimates

Stakeholders	The Outcomes (what changes)	Total value of outcome including 5 years post-project	% of total value
WORTH members' families	We have better access to healthcare	\$9,210,262	25%
Agriculture program participants	The community respects us	\$8,655,534	23%
WORTH group members	My WORTH group has more understanding and is more united	\$4,442,628	12%
WORTH group members	I am proud of my ability to help my family	\$2,627,148	7%
VDC members in agriculture areas	We have improved self-esteem	\$1,982,624	5%
WORTH group members	Financial management skills give me a feeling of self-confidence	\$1,715,610	5%
WORTH members' families	Our family is more united because we are saving together	\$1,702,310	5%
Agriculture program participants	We have better access to healthcare	\$1,697,575	5%
WORTH group members	I am more financially secure	\$1,441,782	4%
WORTH members' families	We have satisfaction from fulfilling our obligations to the community	\$1,011,541	3%
WORTH group members	I have improved pride in myself	\$884,610	2%
VDC members in agriculture areas	We earn more income and are more food secure	\$609,986	2%
Agriculture program participants	We have religious security for our next lives	\$605,801	2%
Agriculture program participants	We are more food secure	\$404,903	1%



## The social return is...

\$11.2 million invested

\$7 million from USAID

The rest is beneficiary inputs

= \$3.30

\$37 million in social return over five years

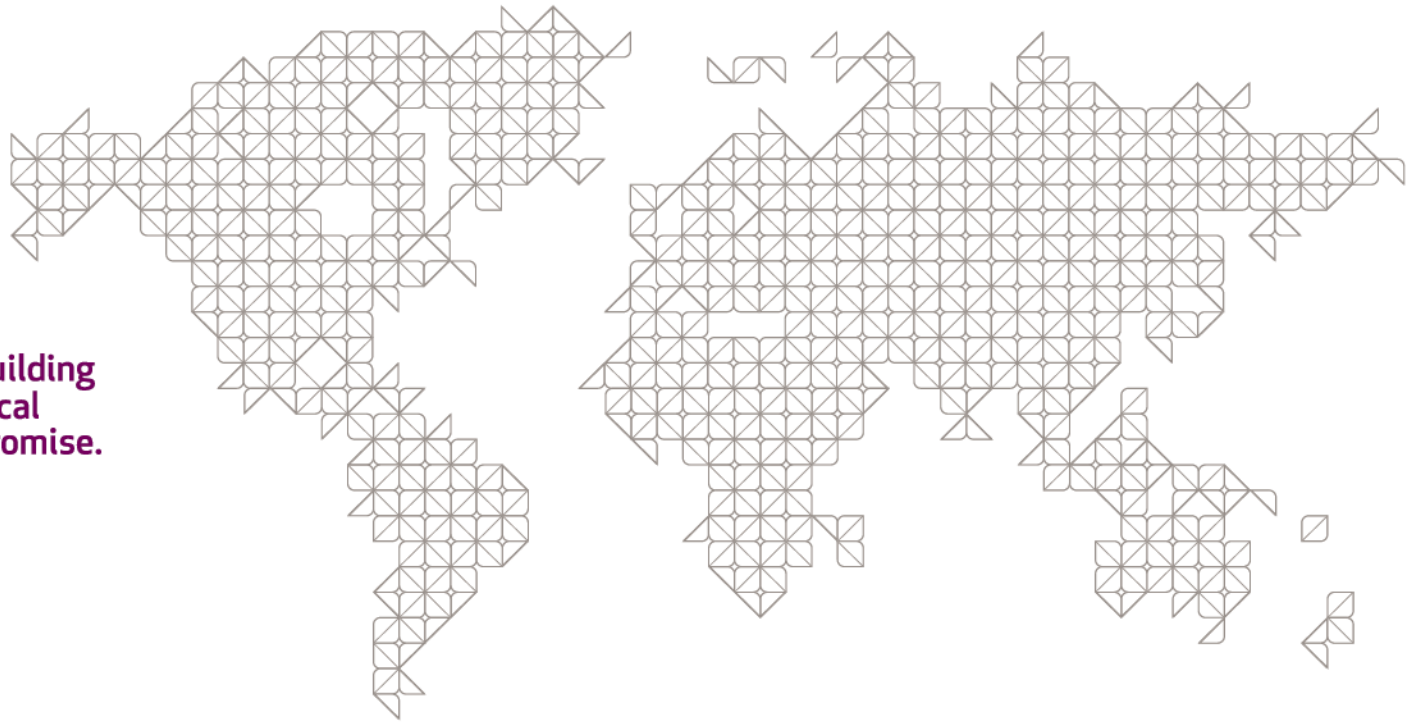
Net present value of \$25.8 million

# Lessons Learned

- Our scope was too wide for a first assessment
- Outcomes, value and impact are hard to gather
- There's a lot of room for non-rigorous methodologies
- Sensitivity analysis helps to check subjectivity
- The journey, not the end value, is the result



building  
local  
promise.



# BORDERS II Somalia

**Using Social Return on Investment to Evaluate  
Peacebuilding Programs**

**Jamal Muktar and Abdiaziz Bashir– Pact Kenya**

# BORDERS II

Broadening Options for Reconciliation, Development Empowerment among Somalis II

**Funder :** DFID, then transitioned to Somalia Stability Fund

**Coverage :** Gedo and Juba regions of Somalia

**worked with** conflict affected communities and local leadership networks

**Overarching goal is to contribute to a more stable regions of Somalia**

## Increased stability in Gedo and Juba regions of Somalia

**OBJECTIVE:** representative and responsive local governance

**OBJECTIVE:** Supporting the resolution and mitigation of conflicts

Capacity building of local government on conflict mediation strategies

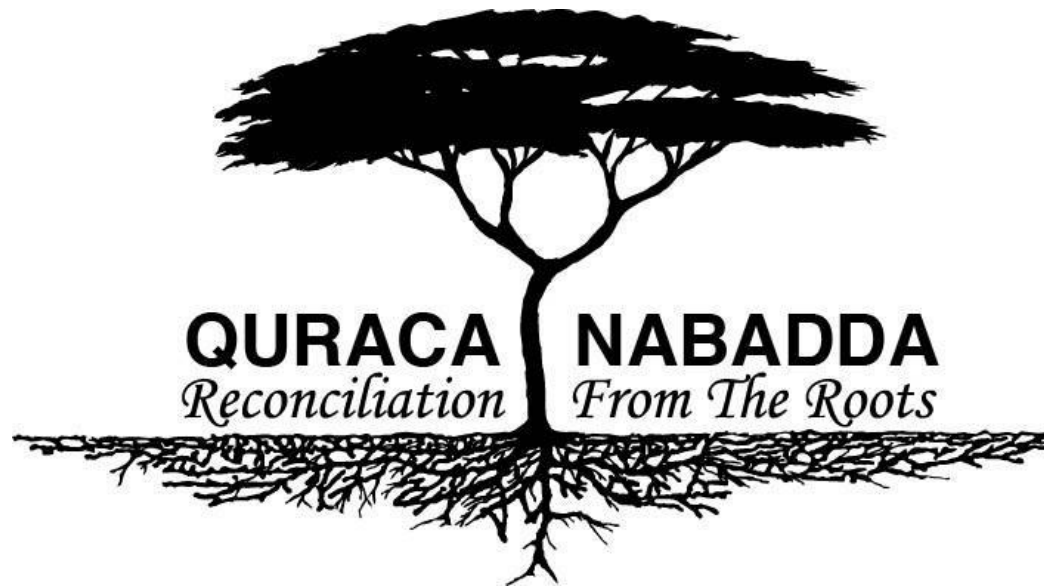
Social Reconciliation and Trauma Healing

Capacity building of peacebuilding organizations

Peace Dividend projects



# Trauma healing



# Why SROI?

Money talks!

Justify investments for civilians



This model calculates a ratio of benefits to costs. And so, **“SROI is about value, rather than money”.**



It tells the **story of how change is being created** by measuring social, environmental and economic outcomes and uses monetary values to represent them.



# Our Stakeholders

- Direct trauma healing beneficiaries
- Volunteer Facilitators
- Local Implementing partner
- Local authority officials
- District peace committee
- Family members and friends
- Traditional council of elders and Religious leaders

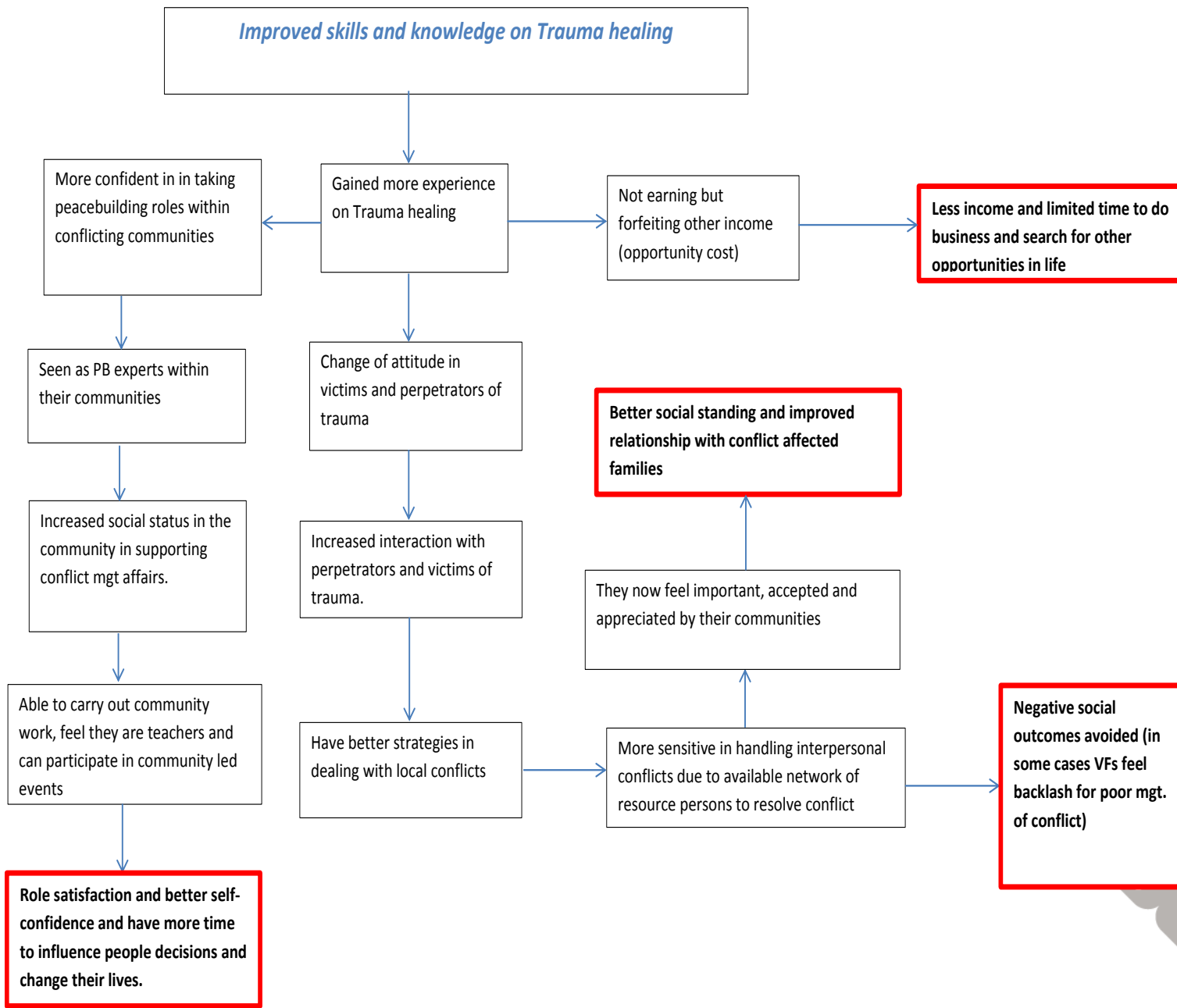
*Out of 179 participants in the survey, 120 of them were direct trauma healing beneficiaries.*



# Gathering outcomes....



# Value map process Demonstration



# Challenges and Findings

- Valuation – Value games/bias
- Stakeholder centric/contextual accountability
- Expensive in fluid dynamic conflict setting
- In-depth in mapping out change process  
Stakeholder/cultural context

## **Main findings**

- High benefit - SROI ratio = 1: 128
- VFs have a higher % value of 31% in outcome than targeted beneficiaries

## **Recommendations**

- Consider livelihood component in trauma healing to increase social value
- Trauma healing vs. mental health standards  
Conflicts and mass trauma healing gaps



# What does a 1:128 SROI mean?

- *YH is 42 year old male who became a victim of militia rampage in an inter clan feuds, “I have been down that bitter route of a grenade attack, I survived, but two of my close relatives perished on the spot. I was full of rage, anger and the burning desire for revenge. But after much reflection and meditation I found my peace. It’s only then that I became human. I was blessed”.*



building  
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promise.



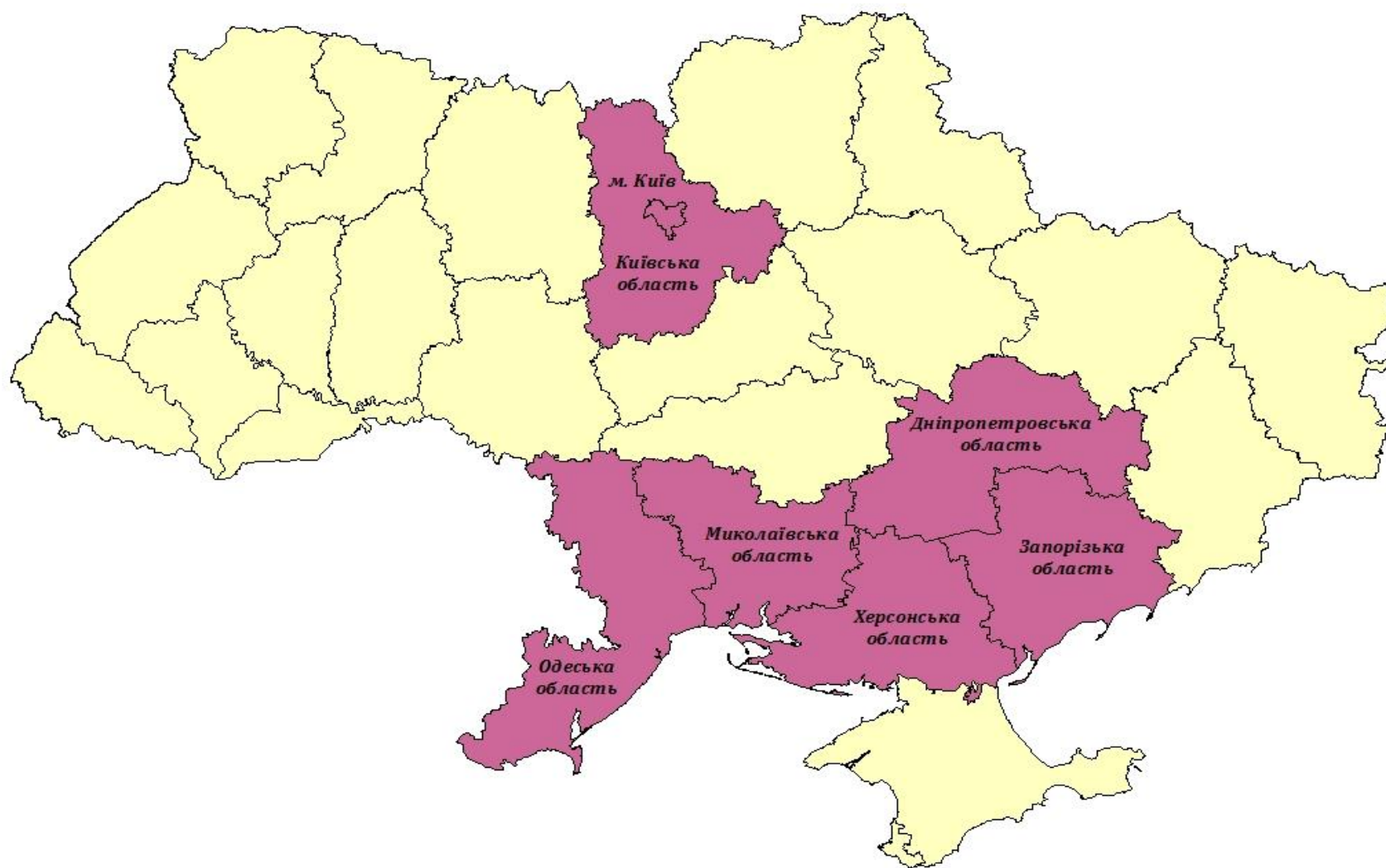
# RESPOND Ukraine

**Inna Shvab, Pact**

**Anna Fenchak, AC Socioconsulting**

**Iryna Demchenko, AC Socioconsulting**

# Background





Population- 42,5  
million people

Estimated number of  
PLHIV - 223 000

Estimated number  
of PWID – 310 000

Diagnosed - 138000  
(62%)

Estimated number of  
PWID-PLHV – 62000  
(20%)

# What is “Seven Steps”?

- Psychosocial intervention for PWID (7 sessions)
- Goals:
  - reduce risk of infection with HIV/STI/viral hepatitis
  - general health improvement
  - further PWID commitment to healthy life style;
- Implemented for 18 months (July 2014 – December 2015) by 6 NGOs in Ukraine;
- Cost: \$380 000 USD



# SROI study

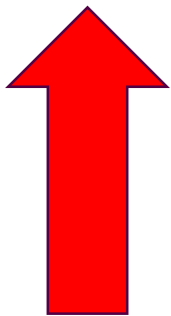
- Implementation science study on the intervention's feasibility, fidelity, effectiveness and economic efficiency
- Study duration: July 2014 – March 2016

Experimental with random selection of the clients to two groups:

- experimental (received services in the framework of the intervention)
- and control (received other HIV services but not Seven Steps)

# Sample size

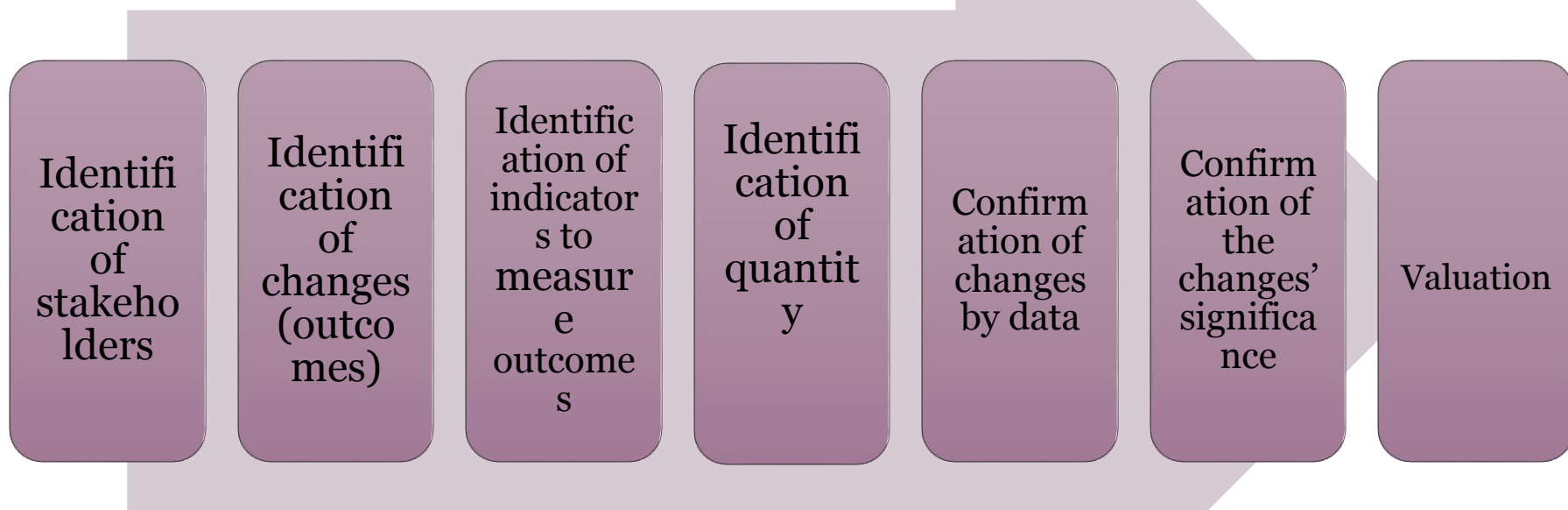
- 1565 PWID were interviewed (781 in the experimental group, 784 in the control group);
- 691 PWID participated in at least 5 sessions of the intervention;

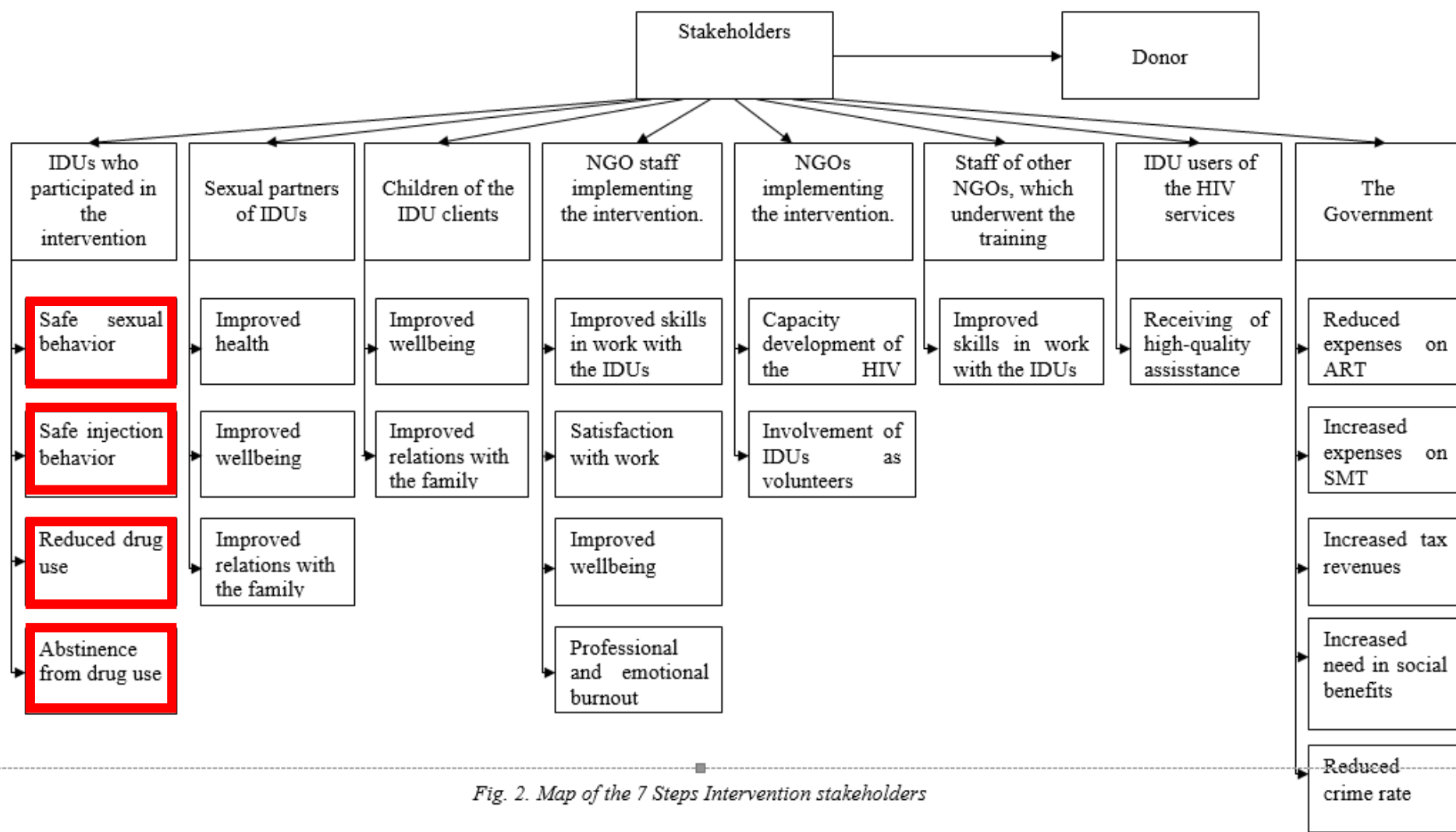


# Methods used for SROI:

- Analysis of the baseline and 4 months follow-up interviews with PWID;
- FGD with: PWIDs, the sexual partners of the PWID and NGOs staff;
- Interviews with the experts (drug procurement experts, doctors-narcologists, dermatovenereologists and infectionists).

# Key steps for SROI analysis





# Quantity - Example

## Reduced HIV infection risk for PWID

- **62 PWID** reduced their HIV infection risk due to safe injection and sexual behavior.
- Indicators:
- a number of PWID who did not use a syringe to use drugs during the last 30 days or dutifully used sterile paraphernalia during the last 30 days
- and
- a number of PWID who did not have sexual contacts during the last 30 days or dutifully used a condom during each sexual intercourse during the last 30 days.

# Quantity - Example

## Reduced HIV infection risk for PWID

	Experimental group	Control group	Dynamics
Baseline survey	12	12	$+9\%$ $p < 0,05$
Intermediate survey (4 months follow up)	29	20	
Dynamics	+17%	+8%	

9% from 691 PWID = 62 PWID  
benefitted from the intervention

# Valuation game – PWID values rating

1. Reduced HIV infection risk.
2. Improvement of relations with the relatives.
3. Rent of an apartment with European-style renovations and home appliances in the downtown of Poltava for one year / purchase of the apartment/
4. Dental care.
5. A BMW passenger car.
6. Renovations in the apartment and all necessary home appliances for it.
7. A rubber motor boat.
8. A computer.
9. Two-week trip to the States.



# Valuation game for Reduced HIV infection risk for PWID

Financial impact based on the findings of the valuation game:

- UAH 14 000/month \* 12 months \* 62 persons = UAH 10 416 000 (in case of rent of the apartment for a year)
- **or**
- UAH 1 410 000. \* 62 persons = UAH 87 420 000 (in case of purchase of the apartment).

# Valuation outcomes – Example

## Reduced HIV infection risk for PWID

Based on calculation of financial volume of the ART-related expenses:

- **UAH 9 762 739** – financial impact of the Outcome during 1 year.
- **UAH 26 694 990** – aggregate financial impact of the Outcome during 4 years

# Impact assessment approaches

## Reduced HIV infection risk for PWID

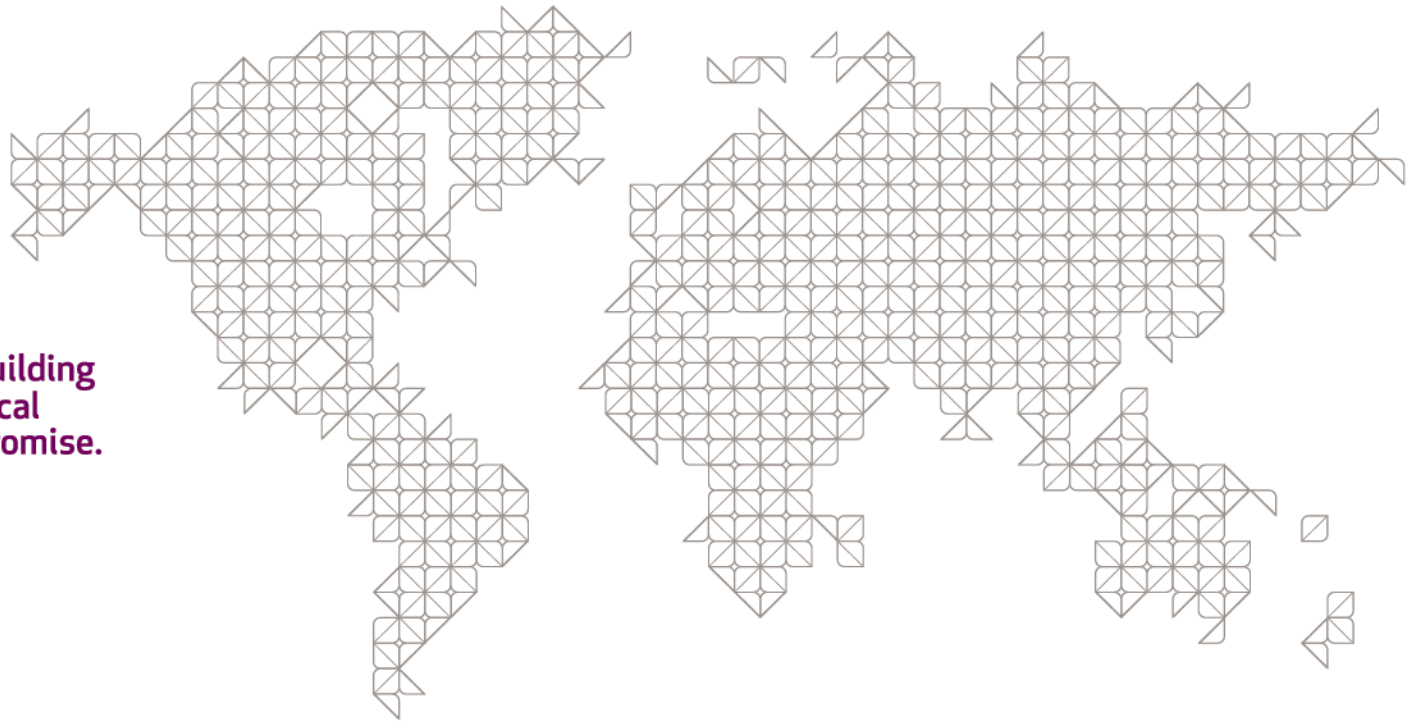
- Duration and drop off - reduction in 25% each year;
- Attribution – 0% (control group)
- Deadweight - 0%; (control group)
- Displacement - 0%; (control group)

## Sensitivity range of the **intervention** outcomes – Example UAH 22.72

Stakeholders	Outcome	Financial proxy, in UAH	%
PWIDs who did not participate in the intervention	Provision of higher-quality assistance	74 962 601	29
PWIDs	Improvement of relations with the family due to abstinence from drug use	50 990 625	20
PWIDs	Improvement of relations with the family due to reduction of drug use	28 481 250	11

# Conclusions

- SROI is estimated at UAH 23 while it varies from UAH 17 to UAH 99;
- The intervention demonstrates high feasibility in the context of Ukrainian HIV service.
- PWID clients benefited most significantly from the project outcome (by financial proxy) but the intervention proved effectiveness for other stakeholders.



# CSSP Zimbabwe

**Michael Weatherhead (Nef - lead evaluator),  
Robinson Chikowero (Pact Assistant evaluator)**

# Introduction

- Pact Zimbabwe
- SROI for project evaluation
- Civil Society Strengthening Project
- USAID funded
- Nef consulting
- CSO component

# Sampling/selection

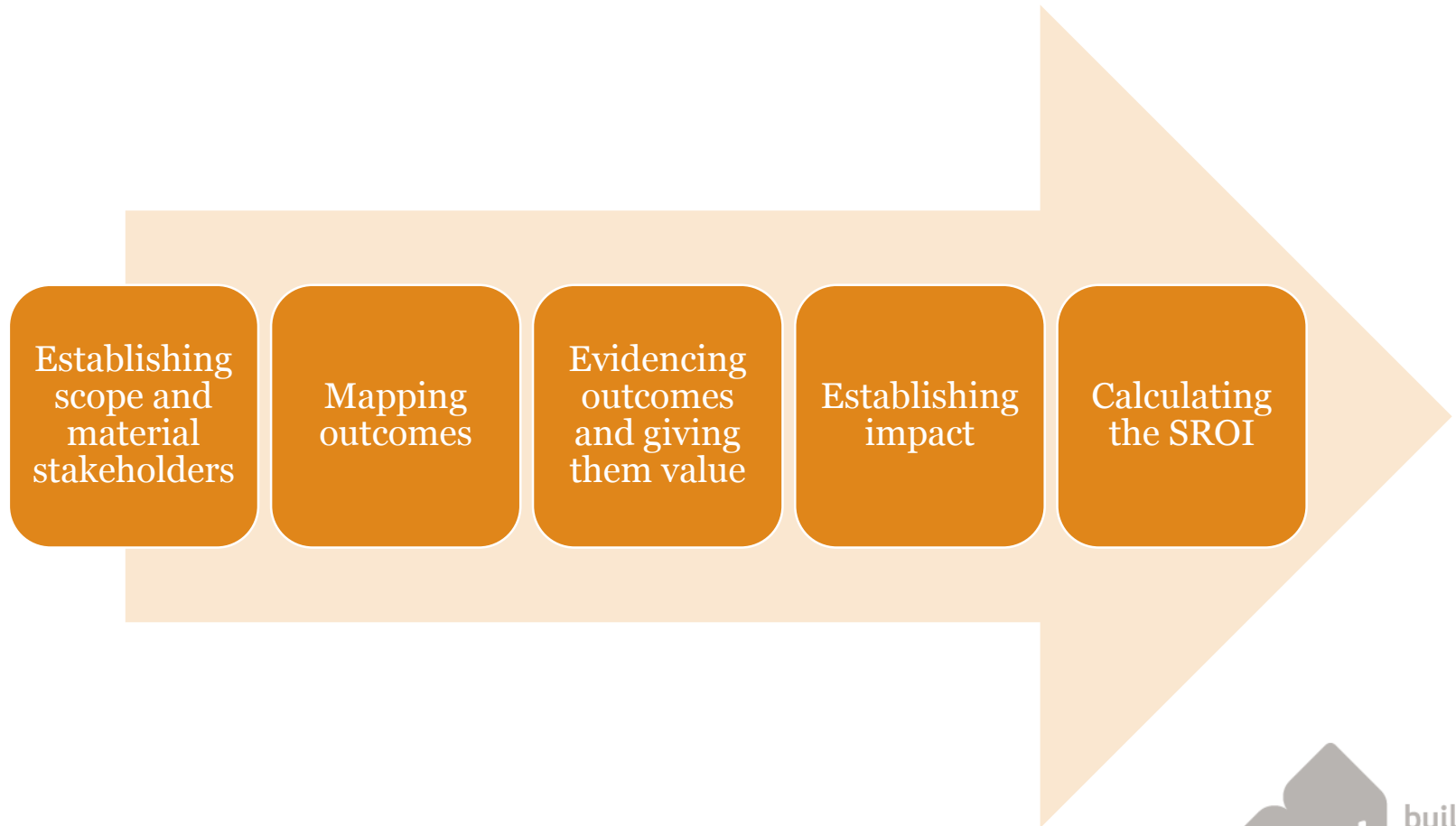
- 21 long-term partners (CSOs/CBOs)
- 3 partners selected - representative of most partners
- All 21 were in 3 regional ToC workshops
- A sample of the stakeholders who completed the outcomes questionnaires was selected for the FGDs



# Data collection

- Community representatives of selected partners
- external organizations that know CSSP
- Pact core staff
- FGDs guides for net impact data; attribution and counterfactual percentages, and to inform benefit period estimates.
- A sample of the stakeholders were in FGDs plus individual responses were averaged to obtain figures for each stakeholder group.

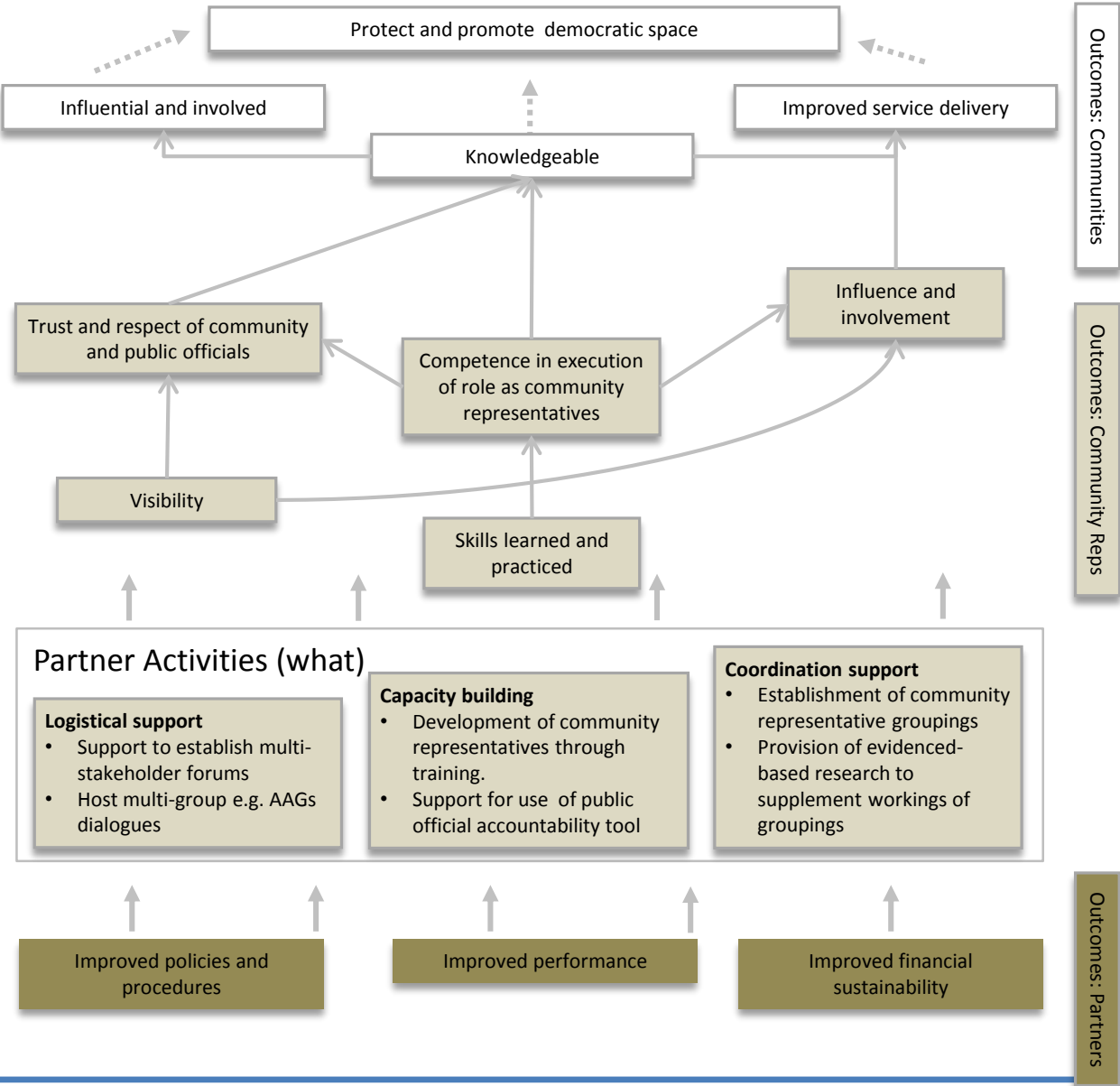
# The process



- 1. Engaged public
- 2. Approachable public officials
- 3. Adequate local government service delivery budgets
- 4. Trust between different stakeholder groups
- 5. Broad involvement

- 1. Ensure public meetings are about issues the public care about
- 2. Work with public officials in a manner that overcomes political and ego-based barriers
- 3. Innovative funding solutions sought
- 4. Focus on transparency and accountability, apolitical, issue-based (not personal) communication
- 5. Train the trainer approach to knowledge dissemination

- Pact Inputs**
- 1. Financial support of a type sufficient in quantity and duration to give confidence by partner to invest
  - 2. Peer support network
  - 3. Training and capacity building of partners' core organizational development skills
    - 1. M&E
    - 2. Policies and Procedures
    - 3. Finance
    - 4. Social accountability



# Key Findings

- All partners experienced positive returns on investments Pact made in capacity development
- The final SROI ratio was \$1:\$2.70
- The greatest value was created for people directly served by the partners

# Key Findings

- The partners who experienced the greatest change in organizational development created the greatest value for their stakeholders
- This validated the positive effect of Pact's capacity development approach for sustainable and cascading outcomes.
- Over 90% of the total value created is for stakeholders in the sphere of influence (community representatives) and the sphere of interest (the wider community).

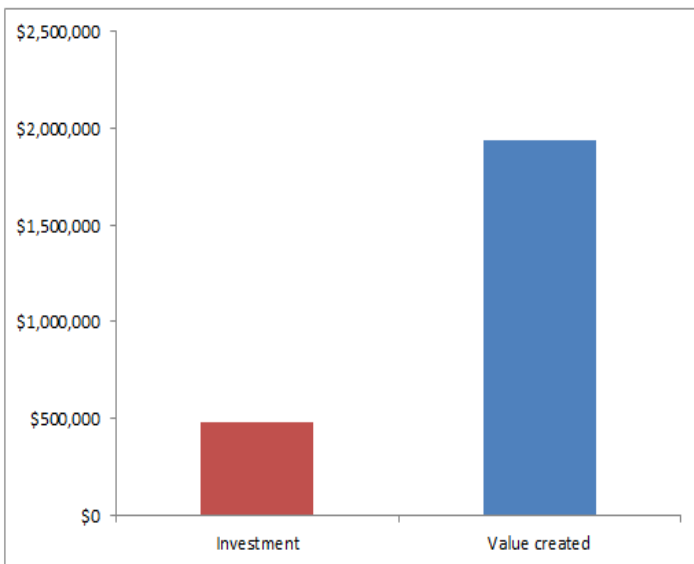
# Key Findings

## 1. Overview

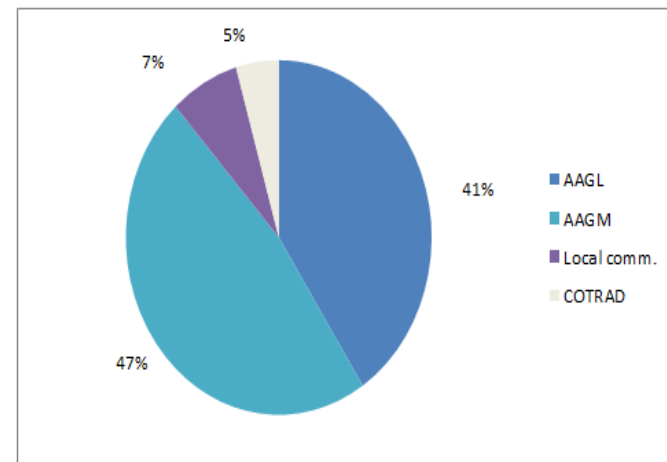
Investment	\$475,059
Value created	\$1,935,087



SROI Ratio
4.1



Value by stakeholder	AAGL	\$788,375
	AAGM	\$918,809
	Local comm.	\$140,461
	COTRAD	\$87,442



## 2. Key Results

# Conclusions

- The CSSP was successful in mobilizing citizens, particularly women and youth, to make their voices heard
- The project's shift after the 2013 elections created value for the stakeholders impacted (adaptive management)
- Achievements were made despite challenging economic and political context
- Sustainability of CSSP is threatened in current context
- The value created and the value for money achieved by a relatively new CBO is a success story for CSSP - evidence that placing one's faith in the raw ingredients of a CBO can be richly rewarded, with the right nurturing

# Recommendations (CSSP)

For civil society strengthening programs:

- Focus on issues that are most relevant to CSOs and the communities they serve
- Design projects through a process of co-production and co-delivery of activities by CSOs and the community
- Build the capacity of public officials to function as an enabler and not a barrier to community development



# Discussion

- Nanette Barkey, Director of Results and Measurement



# Lessons learned

- Relied heavily on SV UK mentoring
- Many stakeholders
- Time / competing priorities
- Complex projects
- Initiate SROI at project startup
- Ex-poste data collection

# Benefits of SROI

- Stakeholder perspectives
- Capture unidentified beneficiaries
- Social and monetary

# Global indicators

- Cannot do 'pure' SROI for Global Indicators
- Skill, time, costs
- Comparability
- Pilot for one indicator

# Next steps for Pact

- Continue to use SROI methods/approach
- Consultants and mentoring
- Prospective (repeat measures)
- Include in surveys
- Adaptive management