

Using Social Return on Investment on Evaluating Advocacy Programs in Ukraine

Social Return on Investment

For UNITER program mid-term evaluation Pact adapted methodology developed by Context International Cooperation¹. Below is the summary of steps prescribed by the original methodology and short description of how Pact applied or modified these steps:

Context Methodology	Pact's application
Step-by-step application	
Step 1: Defining the boundaries	Measuring immediate outcome and 5-years into the future implementation of the policy given that no backsliding happens.
Step 2: Identification and selection of key stakeholders	Stakeholders for each case study were identified. The list included civil servants, local communities, local government, NGOs and journalists.
Step 3: Developing theory of change	Each case study features its own theory of change. Since this was an evaluation of the civil society strengthening program, evaluators looked not only at the changes campaign brought to the beneficiaries but also at changes in organizational capacity of implementer and increased trust and profile of civil society.
Step 4: Identify inputs	Focused only on Pact's inputs. Inputs included grant amount provided by Pact, cost of administration of the grant, capacity building provided by the program. Analysis excluded inputs from the government that is required for implementation of the advocated policy change.
Step 5: Identifying results	Included results for all stakeholders. On the national level where campaign received multiple donors funding, results of campaign were weighted down proportionate to Pact's investment.
Step 6: Valuation	Included the most conservative calculations. Where uncertain evaluators estimated up for the values of inputs and down for the value of outcomes.
Step 7: Calculation of the SROI ration	Calculated two ratios: initial SROI and SROI after 5 years of implementation
Step 8: Verification	The data was received from the stakeholders and then verified with Pact's program officers and finance managers, budgets were reviewed in terms of accuracy of data.
Step 9: Narrative	Applied as part of the Advocacy Mapping which included detailed description of the case study, results achieved, stakeholders engaged, and challenges of the campaign implementation.
General recommendations	
Engage stakeholders early on	Evaluators only engaged NGO that implemented campaign, Pact staff and other donors NGOs engaged in advocacy.
Can be used at any stage of the program cycle	Applied for mid-term evaluation of advocacy funding program. The campaigns just finished, policy changes were approved but not implemented yet.

¹ Social Return on Investment – A Practical Guide for the Development Cooperation Sector.
http://contextinternationalcooperation.files.wordpress.com/2010/11/sroi-practical-guide_context-international-cooperation.pdf

Case Study of Local Advocacy #1: Agency for the Development of Private Initiatives NGO (ADPI), Ivano-Frankivsk

OVERVIEW: The objective of this project was to increase the quality of social services provided in Ivano-Frankivsk and to ensure their accessibility to citizens, especially those living with disabilities. Implemented by the ADPI, the project sought to draft streamlined instructions for the proper administration of 60 different social services provided by the municipal Center of Administrative Services Provision, distribute these instructions to government workers responsible for the delivery of services, and publicize the instructions so that they are accessible to all local citizens, especially those with disabilities, via both the internet and a centrally located information kiosk. In addition, the project sought to establish regular mechanisms for monitoring the implementation of these instructions and the quality of services more generally. To inform its work, the grantee conducted significant research into the present delivery of services, sought feedback from consumers, and examined best practices, particularly in Estonia.

RATIONALE: Ivano-Frankivsk's local government had already adopted a progressive "one-stop" municipal social service provision program in 2005 known as the Center of Administrative Services Provision. The creation of this Center suggested that the local government was interested in improving service delivery, but citizens continued to wait in long lines, were asked for bribes to "expedite" services, and did not know their rights regarding social services. According to ADPI, these problems were particularly acute among the disabled and elderly.

TIME FRAME: The grant lasted from May 17, 2010 to February 17, 2011, but the grantee noted that the project took at least a year to complete and still requires follow-up to ensure lasting change. For the purposes of measuring impact, this case study presumes that the impact of the project will last at least 5 years (future benefits are calculated in terms of current value).

THEORY OF CHANGE: Building on the experiences with municipal social services delivery in Estonia and Poland, ADPI's primary strategy was to establish a constituency of citizens who would support this project and advocate it to local government officials, particularly to the City *Ispolkom*, which had the power to call for its implementation. As a result, they began by conducting public opinion polls to find out the largest obstacles to the efficient delivery of quality services and followed this up with an educational campaign focused on best international practices in this field. They used the findings of the polling and the support gained by the educational campaign to approach the local government, which was initially positive about the project.

The local elections in October 2010, however, delayed the implementation of the program. Furthermore, when elections were held, the existing government was voted out of power, and the *Svoboda* Party took over in the mayoral office. As a result, ADPI had to lobby an entirely new local government in the last months of 2010, and they were very concerned that they would not succeed in implementing the project per their grant proposal. Fortunately, ADPI found that the new mayor was even more interested in the project than the previous one. According to ADPI staff, the new mayor saw the project as an opportunity to deliver substantive and positive change to local citizens early in his term.

As a result, ADPI, along with several civically active disabled volunteers and members of the local *civic council*, began working closely with the local government's department of social services and its Center of Administrative Services Provision to draft actual service provision instructions that were to be reproduced in the form of a guidebook for government employees and posted on the web as well as at a centrally located disabled-accessible information kiosk for citizens.

Once this working group drafted the instructions, it presented them to the City Rada for ratification, and they were adopted. In the process, the local *civic council* also worked with the City Rada to stress their role in the eventual oversight of these instructions' implementation. As ADPI suggests, their theory of change was fulfilled virtually as planned, despite the fact that there was a change in local government half-way through the project's implementation.

STAKEHOLDERS:

A) Primary Beneficiaries of the project: All citizens, but especially the approximately 65,000 elderly and disabled who receive the most municipal social services. Civil servants working in the Center of Administrative Services Provision.

B) Coalition of Supporters: ADPI, the local *civic council*, the Center of Administrative Services Provision, numerous civically active disabled volunteers, and the local government's department for social services.

C) Risk groups: Nobody openly resisted the efforts, but initially there was fear that the new government under the *Svoboda* Party would create problems for the project. In the end, the new local government was very supportive.

D) By-standers: Many of the citizens, particularly those who do not receive substantial social services. In addition, the Judicial Department of the *Ispolkom* neither helped nor hindered the efforts.

INPUTS:

- Grant = \$16,760.53
- UNITER program office and administrative costs = \$2,500²
- UNITER capacity building = \$1,000
- Eastern European Foundation = \$2,500

Total = \$22,760.53

Outcomes:

<i>Outcome</i>	<i>Stakeholder</i>	<i>Added Value</i>	<i>Proxy/Equivalency</i>	<i>Monetary Value</i>
ADPI has increased communications and advocacy capacity	ADPI	ADPI capable of better communicating with stakeholders	Paid training	\$1,000 (one time impact)
Time saved by citizens receiving social services	Ordinary citizens, especially elderly and disabled	Citizens have more time to be productive contributors to society.	Ukrainian minimum wage of 5.76 hryvnia or \$0.72 per hour	\$530,000 ³ (annual) \$2,650,000 over five years
Health savings of citizens receiving social services	Ordinary citizens, especially elderly and disabled	Citizens requiring social services receive more expedient and quality services	Cost of productive individual in society (Ukrainian minimum wage of 5.76 hryvnia or \$0.72 per hour)	\$97,000 ⁴ (Annual) \$486,000 (over five years)
Leveraged inputs attract more	ADPI	ADPI had costs covered including meeting		\$5,000 (one time)

² UNITER program staff actually spent little time and effort on this grant as it was managed by the East Europe Foundation. However, we thought it fair to apply a certain amount of overall office costs.

³ It was estimated that citizens who frequently receive social services would save at least 6 hours of time a year through the improvements. With an estimated 65,000 elderly and disabled citizens frequently receiving such services, this amounts to an annual savings of about 390,000 hours of time that could otherwise be used productively. Using the proxy of the Ukrainian minimum wage of 5.76 *hryvnia*/hour, this would be an average annual savings of over 2.245 Million *hryvnia*, or \$1.6 Million USD in labor power. In an effort to be conservative, we will assume that one third of this time would have been otherwise productive, suggesting an overall annual savings of \$530,000 in labor power Million USD, in labor capacity. In an effort to be conservative in our estimates, however, we will only claim one-third of this time as being potentially otherwise productive, resulting in an annual savings of \$1.2 Million USD.

⁴ Taking a very conservative estimate that the improved delivery of social services would prevent at least 0.1% of annual cases where elderly or disabled people would become incapacitated or otherwise unable to be productive members of society, we determined that this amounted to 65 people each year. Again using the proxy of the Ukrainian minimum wage, this amounts to a conservative \$1,498 of man power lost on an annual basis per person, a total of approximately \$97,000.

resources — provided by local gov't and volunteers		costs, copying, printing, and meeting space as well as substantial volunteer labor		impact)
Reduced costs of corruption	The City of Ivano-Frankivsk, business, ordinary citizens	Clearer procedures and accountability will reduce the number of bribes and/or kick-backs taken by those distributing social services.}	Average of \$3 bribe per person.	\$65,000 ⁵ (annual) \$325,000 (over five years)
Increased profile of local NGOs	Local NGOs, coalition of supporters	Participants are better known, have new partnerships, and are increasing access to private and public funding.	NGOs could have conducted a promotional event or public awareness campaign	\$2,000 (one time impact)
More pleasant working environment in Center of Social Services, improved customer service	Civil servants, ordinary citizens	Citizens better informed, ask less questions, environment less tense, customer service culture improved	Customer service training for 40 civil servants ⁶	\$4,000
			Total – one year	\$704,000
			Total – five years	\$3,473,000

SOCIAL RETURN ON INVESTMENT (SROI)

Initial SROI = total outcomes one year / total inputs = 30.93

SROI after 5 years = total outcomes / total inputs = 152.60

Case Study of Local Advocacy #2: Local Self-Government Development Support Association (LSDSA), Luhansk

OVERVIEW: The objective of this project was to „improve quality of life through reforms to support better investment projects in the city of Luhansk.“ Implemented by the LSDSA, the project aimed to improve local legislation regulating municipal investment activities, and thus increase the amount and quality of new investments in Luhansk. The grantee drafted, lobbied and supported the passing of two new regulatory documents for conducting investment competitions in Luhansk. The LSDSA also did a study of local investment projects and an assessment of the communities needs in terms of economic development and municipal infrastructure. The findings of these were incorporated into the city's investment priorities and development plans. Under the project, the grantee also organized a number of informational seminars for competition participants and published a manual for investors. An investment competition was piloted in Luhansk and two new investment projects were launched. Impact is expected primarily in the city and, in the long run, possibly in neighboring municipalities.

RATIONALE: Poor investment procedures were the biggest obstacle to local development in Luhansk. No investment meant the gradual decay of the city. Decay in turn made Luhansk a less attractive city to invest in and halted economic growth. The LSDSA decided to break this vicious circle. They had expert knowledge of the local investment procedures (staff members had worked as financial advisers to real estate investors),

⁵ ADPI noted that a study of Ivano-Frankivsk conducted by a local NGO suggested that petty corruption in local government amounted to approximately \$8 Million USD annually. With at least 65,000 citizens regularly receiving social services from the local government, it is a very conservative estimate that the petty corruption related to this sector would amount to at least three US Dollars per recipient, or \$195,000. If the measures introduced in this project were able to reduce that by even one-third, that would be an annual savings of \$65,000.

⁶ At cost of \$100 per trainee.

knowledge of the pitfalls that allowed the process to be chaotic, corrupt and unviable, and the institutional capacity needed to advocate for change.

TIME FRAME: The grant lasted from May 17, 2010-May 17, 2011. However, for the purposes of measuring impact, this case study presumes that the impact of the project will last at least 5 years (future benefits are calculated in terms of current value).

THEORY OF CHANGE: Working together with Municipal Council, the LSDSA planned to create a working group of citizens, local NGOs and municipal officials. Once formed, this group would develop a new draft law for developing municipal properties, including organizing competitions for investors, developers and anyone who wanted to invest and help develop infrastructure needed by the city. The Working Group also planned to assess community infrastructure needs, and conduct title searches to be certain the property could be let out under a long-term lease. The LSDSA also planned on surveying local residents for their opinions on the city's needs and developing new procedures and a revised list of investment priorities that would be used by the group. Following this, the LSDSA believed that the Municipal Council would be favorably inclined to pass new municipal ordinances bringing the regulations into effect. After this it was hoped that the city would conduct a tender in which possible investors would compete and a new procurement committee would choose the best offers. The LSDSA thought that the process would go smoothly and that one new local ordinance containing all the regulations would suffice.

The LSDSA based its program design and planned activities on knowledge gained during advising investors and on experiences of staff who had previously worked at city hall. They knew the inner workings of the Municipal Council and the Municipal Department of Economic Development. Both these bodies were consulted in advance and declared interest in the project. Previously, a working relationship had been struck up with the head of the Municipal Department of Economic Development, and she provided on-going advice to LSDSA. They also approached another key stakeholder, the Legal Department of the Municipal Council. The Legal Department provided considerable advice on drafting the text of the regulations and the legislative process.

The LSDSA believed that they would be successful if they involved and followed the guidance of key stakeholders within municipal institutions. Success was also dependent on positioning themselves and their civic partners as the motor of the whole initiative. They approached the stakeholders as one might a board of directors: they asked for advice, provided information, and prepared them to carry out their function of improving and approving the new regulations. The LSDSA was fully aware of dealing with very busy people. In this regard to ensure greater success, it was important that the whole initiative was coordinated with the annual work plan of the municipal authorities. The LSDSA acted as both a facilitator and a midwife of cooperation between citizens and government.

Ultimately, the LSDSA was successful in getting the new regulations passed, organizing the Working Group, achieving consensus on investment priorities, and piloting the new investment competitions. However, there were many more levels of approval needed (everybody's bosses got involved). Public officials were slow to act and fearful of the general public. Public officials went into most meetings convinced that the public is very anti-government. They were very wary of confrontation and conflict. Because of considerable resistance by certain individuals, the LSDSA was required to prepare and push two separate sets of regulations through the Municipal Council.

Another glitch was caused by local government elections. While the mayor was re-elected, as were many members of the Municipal Council, there was a new chair of the Council as well as many newly hired staffers and deputies. Basically, the project had to start all over again in order to re-engage all the relevant individuals in the decision chain.

STAKEHOLDERS:

A) Primary Beneficiaries of the project: potential investors, investors in a new cardiology clinic (Ukrainian-Israeli joint venture), ordinary citizens.

B) Coalition of Supporters: the LSDSA, the Economic Development Department of the Municipal Council, the Association of Cities of Ukraine, the Council of Employers of Luhansk, the Amivschid Association of Young Invalids

C) Risk groups: Nobody openly resisted the efforts. There was some hesitation and attempts to slow things down by some politicians and public officials. They were contentious during public meetings, tried to block decisions during Council meetings, and caused the LSDSA to postpone voting several times. The LSDSA suspects that these people were acting on behalf of those benefiting from the corruption (municipal councilors, employees of the Municipal Land Management Department.)

D) By-standers: There were many non-interested individuals among local NGOs, businesspeople, and the municipal authorities. Among the general public, about 20%-30% of the people called during the survey refused to answer questions. Some responded that the LSDSA was wasting its time, as that there is no way to fight corruption.

INPUTS:

Grant = \$11,980

UNITER program office and administrative costs = \$2,500⁷

UNITER capacity building = \$1,000

Eastern European Foundation = \$2,500

Total = \$17,980

OUTCOMES:

<i>Outcome</i>	<i>Stakeholder</i>	<i>Added Value</i>	<i>Proxy/Equivalency</i>	<i>Monetary Value</i>
LSDAS has increased communications and advocacy capacity	LSDAS	LSDAS capable of better communicating with stakeholders	Paid training	\$1,000 ⁸ (one time impact)
Increased inflows to municipal budget	City of Luhansk, ordinary citizens	Tax revenues and fees collected from new investors	Based on investments to date	\$25,000 (annual) \$125,000 (over five years)
Increased attractiveness of Luhansk	City of Luhansk, ordinary citizens	City more attractive for other investors currently and in coming years	Municipal authorities could have spent resources on attracting investors through promotional activities.	\$50,000 (one time impact)
Leveraged inputs attract more resources —provided by local gov't	LSDAS	LSDAS had costs covered including meeting costs, copying, printing, meeting space, billboards & other advertising.		\$7,000 (one time impact)
Reduced costs of corruption	Investors, business, ordinary	Clearer procedures and competitions mean that investors less frequently	Savings of \$100-200,000 per investment. ⁹	\$300,000 (annual) \$1,500,000

⁷ UNITER program staff spent little time and effort on this grant as it was managed by the Eastern European Foundation. However, we thought it fair to apply a certain amount of overall UNITER office costs. We have applied conservative estimations everywhere, where uncertain we estimated up for the value of inputs, and down for the value of outcomes.

⁸ The executive director of the organization reported that they would have gladly paid \$1000 for such training.

⁹ It was reported that international investors have been known to pay bribes of between \$750,000 and \$1 million to acquire rights to attractive lots for investment purposes. It was reported to us that over the years several such investors have moved to Luhansk, and these events have coincided with the retirement and relocation of public officials in a position to take such bribes. This report has been corroborated from several sources. Additionally one of the companies mentioned has been caught and punished for such practices several times already in other countries of the region.

	citizens	required to make informal payments to acquire rights to use land.		(over five years)
Increased profile of local NGOs	Local NGOs, coalition of supporters	Participants are better known, have new partnerships, and are increasing access to private and public funding.	NGOs could have conducted a promotional event or public awareness campaign	\$2,000 (one-time impact)
New economic development projects	Districts and neighborhoods of Luhansk	Eastern Ukrainian Center of NGOs is using new law in neighborhoods and smaller communities to promote economic development		Future value TBD
			Total – one year	\$385,000
			Total – five years	\$1,389,192

SOCIAL RETURN ON INVESTMENT (SROI)

SROI = $\frac{3}{4}$ total outcomes 1 year/ total inputs = 16.05

SROI after 5 years = $\frac{3}{4}$ total outcomes/total inputs = 57.8 (after adjusting for inflation)

Case Study of National-level Advocacy #3: New Citizen, Freedom of Information Campaign, Kyiv¹⁰

INPUTS:

Grant = \$48,000 (proportion of larger grants that cover other initiatives)

UNITER program office and administrative costs = \$58,350

UNITER capacity building = \$25,000

Total = \$131,000

Outcome	Stakeholder	Added Value	Proxy/Equivalency	Monetary Value
Savings stemming from reduction of inefficiencies in gov't agencies	Taxpayers, State, treasury, ordinary citizens	Two Inquiries which resulted in the uncovering of misappropriations of funds and resources	Cost of one year's maintenance of \$2 million mansion	\$145,000 (Year 1&2)
Reduced cost of corruption and misappropriation of state resources	Taxpayers, State, treasury, ordinary citizens	Increased transparency increases the risk and cost of being involved in corrupt behaviors	Experts estimate in Year 3 losses to corruption in public procurement will be reduced by 20%	\$147,000,000 (in year 3,4,5)
Leveraged inputs attract more resources provided by volunteers	NGOs, parliament, media owners	700 volunteers work 14,000	Ukrainian minimum wage \$0.72 per hour	\$ 10,000 one time impact
Increased awareness of important reform issues	Ordinary citizens	Majority of Ukrainian citizens are aware of new FOIA		TBD

¹⁰ Full case study can be found in UNITER mid-term evaluation report http://uniter.org.ua/data/block/unitar_mid-term_evaluation_complete_report.pdf

New reform capacity in NGO sector	NGO, civic activists	New impetus for empowerment of activists. FOIA is the only success story of active citizens working in favor of something not against	Interventions building cohesion and networking civic, media, political actors (events, information sharing, roundtables)	\$50,000 One time impact
			Total – one year	\$ 205, 000
			Total – five years	\$425,705,000

SOCIAL RETURN ON INVESTMENT (SROI)

SROI = $\frac{3}{4}$ total outcomes 1 year/ total inputs = $\frac{\$67,650}{\$131,350} = 0.52$

SROI after 5 years = $\frac{\$140,482,650}{\$131,350} = 1070$ (after adjusting for inflation)

Case Study of National Advocacy #4: Ukrainian Center for Independent Political Research (UCIPR), Kyiv

INPUTS:

Grant = \$72,133

UNITER program office and administrative costs = \$52,750

UNITER capacity building = \$4,350

Total = \$129,233

<i>Outcome</i>	<i>Stakeholder</i>	<i>Added Value</i>	<i>Proxy/Equivalency</i>	<i>Monetary Value</i>
Reduced cost of registering an NGO	Informal initiatives, civic activists	New law considerably simplifies registration process	Savings of \$256 per newly registered organization (575 organizations annually) ¹¹	\$147,200 annually \$ 746,000 over 5 years
Reduced time required of citizens to register	Informal initiatives, civic activists	New law requires fewer documents to register an NGO - 4 instead of from 7-23 (depending on status)	Cost of productive individual in society (Ukrainian minimum wage \$0.72 per hour) 10 hours per registration x 575	\$4,140 annual \$20,700 over 5 years
NGOs have greater capacity to advocate for interest and rights of citizens	Ordinary citizens	Previous regulations limited NGO activity to interests and rights of members only		TBD
NGOs more sustainable.	NGOs, donors	NGOs able to charge fees for products and services Less money needed NGOs can now legally charge for services	Social enterprises generate \$2500 per year (100 NGOs)	\$250,000 - annual, starting in Year 2 \$1,000,000 - over five years

¹¹ Under the previous law, lawyers registering NGOs had a much higher LOE and charged \$384 to register an organization. After the new law came into effect, the fee was lowered to \$128, for a savings of \$256. 2001-2010 saw an average of between 2500-3000 new NGOs, charitable organizations and religious unions registered each year, most during the period of 2005-2009. We estimate that between 500-700 NGOs will be registered under the new law per annum.

Corporations can now set up own corporate foundations	Business	Increases probability that and levels of corporate Philanthropic activity.		TBD
Reduced costs of maintaining registry of Ukrainian NGOs	Ministry of Justice, Ministry of the Economy, State , Treasury	Procedure of double registration eliminated through introduction of one central registry and automatic acceptance of registration documents of NGOs already incorporated in other countries. Savings of 7680 hours.	Cost of productive individual in society (Ukrainian minimum wage \$0.72 per hour)	\$5,530 – annual \$27,650 – over five years
			Total – one year	\$156,870
			Total – five years	\$1,518,785

SOCIAL RETURN ON INVESTMENT (SROI)

Initial SROI = total outcomes / total inputs = \$156,870/\$129,233 = 1.21

SROI after 5 years = \$1,518,785/\$129,233 (after adjusting for inflation) = 11.75