Lesson structure

- Definitions: social innovation, social value, impact;
- A new paradigm: systems thought
- The Impact Evaluation
- The theory of change
- Some methodologies for impact assessment

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Definition

Innovation is generation of ideas, acceleration of processes, identification of new needs and new goals, but above all questions about how to achieve them, why and for whom → **you can innovate by doing the same things but in a different way!**

Refers to the development and implementation of new ideas that address social needs while simultaneously creating new social relationships or collaborations, providing a benefit to society

The social value is the result of social innovation! → The acti
organizations and enterprises that produce socially beneficial goo
services generate social value

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Definition of Impact

Social impact is the consequence of social innovation

Several definitions:

- It is the ability of an organization to **contribute to change** in a given field of action by **modifying the status quo of a person** or community of recipients of the social activity;
- It is the attribution of an organization's activities to **the longer-term overall social outcomes**;
- It is the **non-economic, hence social and environmental**, **change** created by the organizations activities and investments;
- Is the **portion of the total outcome** that has occurred as a **direct result of the i** net of that portion that would equally have taken place even without the interven

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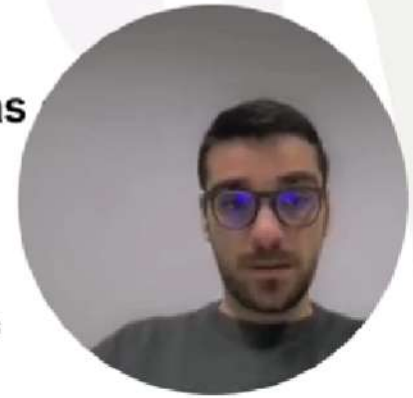
A new paradigm: The system thought

LINEAR OR ANALYTICAL THOUGHT → SYSTEMIC THOUGHT

- They take a problem, break it down into smaller pieces.
- They look for simple and direct cause-and-effect.
- They solve each piece separately.

- Look at the whole system and the relationships between the parts.
- Look for cycles, interdependencies, retroactions (feedbacks) that can make problems more complex or self-sustaining.
- It asks not just “what is the cause?” but “how do the causes interact?”, “what are the long-term effects?”

Linear thinking sees the world as a simple chain. Systems thinking sees the world as dynamic interactions!!



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Example

Problem: low employee productivity in the company

Linear thought: "Let's increase controls to make them work harder.

Systemic thought: "Perhaps controls create stress → stress reduces motivation → less motivation leads to less productivity → even more controls are introduced, making the problem worse."→ Here w... that the problem is not just working harder, but changing the ... motivation and trust.

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Why is systemic thought important?

- Because today's problems (environmental, economic, social, organizational) are complex, global, and interconnected.
- Acting only on separate “pieces” often leads to worse side effects.
- We need to think in a circular, holistic, long-term way

Moving from measuring **activity** to observing **impact**

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How is impact measured?

on **outputs**, i.e., performance is measured in terms of **efficiency**, and thus input/output ratio ⟶ tool: financial statements

on **outcome**, i.e., the measurement of the result in terms of **effectiveness** (how did I achieve the goal; what good did they receive in my actions?) ⟶ tool: social, environmental, ... report

on **impacts**, i.e., measuring the **change**, the effects that the organization generates on the surrounding environment ⟶ tool: impact assessment

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INCLUSION THROUGH SOCIAL FARMING

The shift to impact assessment is due to several factors:

- including: to the crisis of the welfare state model that has led to the need for circular subsidiarity that must be measured by impact;
- to the European recognition of the role of the Third Sector in welfare, social cohesion and innovation;
- to the change of logic on responsibility that stems from the need of entrepreneurs and not only to not limit themselves to profit but to create value, not to be content to follow norms but to innovate socially

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Social impact evaluation

«Social impact evaluation means the qualitative and quantitative evaluation, over the short, medium and long term, of the effects of the activities carried out on the target community with respect to the identified objective»

- includes the full process of analyzing, monitoring and managing the consequences, positive or negative, anticipated and unanticipated, of planned interventions and any changes implied by them;
- we need both qualitative and quantitative tools that do not just describe what good is b
done because it does not necessarily change for the better: the impact can also be

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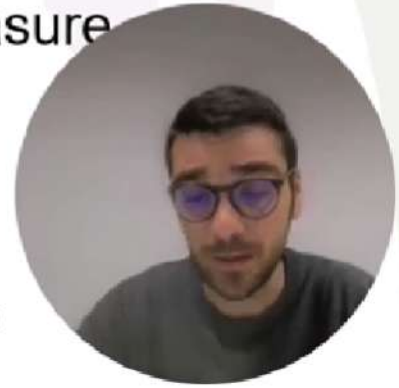
It is important to identify a method, a metric of indicators that is sufficiently precise and intelligent, such as to ensure respect for the identity of the organization and the paradigm on which it bases its values

We need to overcome the logic of measurement, closely linked to the capitalist world, that leaves out the defining aspects of those who work for the common good and that can enhance the elements and paths of social innovation

EVALUATE
=
GIVE VALUE!!!

judge or merely measure



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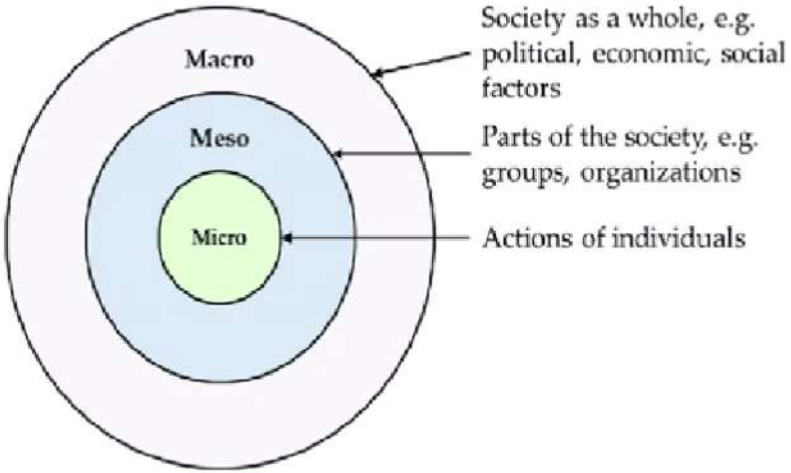
The dimensions of evaluation



OBJECTIVE DIMENSION:

- Of the project (intervention as a whole)
- Of the process (of the action as it unfolds)
- Of the organization

SUBJECTIVE DIMENSION:

- Auto-evaluation
- External evaluation

TEMPORAL DIMENSION:

- Ex ante
- In itinerem
- Ex post

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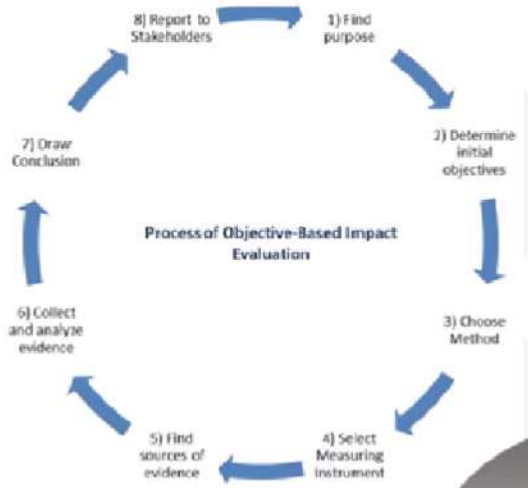
Before starting the evaluation process, it is important to ask yourself some questions:

- Does your action make a difference? Can it be demonstrated?
- Is what you're doing useful? To whom?
- Is it possible to do better? If so, how?



The logic is that of continuous improvement!!

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The phases of the process

1. **Identification of long-term change** objectives and the stakeholders involved;
2. **Backward mapping**, aiming to clearly and transparently outline the necessary and sufficient preconditions for achieving change;
3. Explanation of the assumptions related to **the context** in which the initiative takes place (environment, organizational culture, people, processes, relationships...);
4. **Identification and description** of the activities and actions that lead to change;
5. **Selection of metrics and indicators** to quantitatively and qualitatively measure the changes that have occurred;
6. **Written narration** of the process to highlight value, lessons learned, and improvement actions to be implemented;
7. Internal and external **communication** of the results

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Principal Impact evaluation methodologies

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Social Impact Assessment

Environmental/social impact evaluation has become a fundamental part of environmental planning and decision making in the United States

group of social scientists founded the Inter-organizational Committee on Guiding Principles for Social Impact Assessment (SIA)

It is adopted **ex ante** in order to identify and manage the social consequences that can be generated by specific **policies or projects**. At its core, it must contain **10 steps** that follow one another in a sequential logic

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The phases of SIA

1. Public Involvement – Developing an Effective Public Engagement Plan: identification and collaboration with all stakeholders (potentially affected groups) from the very beginning of the proposed action's planning phase → interviews, focus groups, questionnaires.

2. Identification of Alternatives – Description of the Proposed Action or Policy Change and Reasonable Alternatives: clear and sufficient description of the proposed action or project, as well as any reasonable alternatives. Through this detailed description, the necessary data and variables for impact assessment can be identified.

3. Baseline Conditions – Description of the Relevant Human Environment/Area of Influence and Existing Conditions: the baseline context is analyzed → geographic area, population characteristics, and the relationships that identified stakeholders have with these factors and with each other.

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The phases of SIA (2)

4. Scoping – Identification of the Full Range of Likely Social Impacts for Discussion with Potentially Affected Individuals: all variables related to the social impacts generated by the proposed activity must be identified—both those perceived by the project proponents and those perceived by each stakeholder;

5. Projection of Estimated Effects – Investigation of Probable Impacts: probable impacts are defined as the difference expected between a future with the proposed action and a future without it. Five main sources of information should be gathered: data from project proponents, past experiences with similar actions, census data and vital statistics, documents and secondary sources, field research, including key informant interviews, public hearings, focus group meetings, and general population surveys;

6. Anticipating Responses to Impacts – Assessing the Significance of Identified Social Impacts: following impact identification, the next step is to estimate how stakeholders are likel respond to these impacts.

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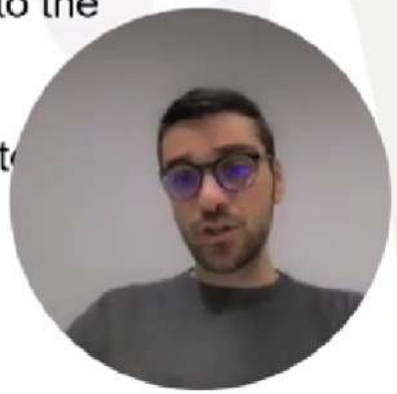
The phases of SIA (3)

7. Indirect and Cumulative Impacts – Estimating Subsequent and Cumulative Effects: it is also necessary to identify: **Indirect impacts**: those that result from direct impacts but occur later or in different locations. **Cumulative impacts**: those resulting from the combination of the proposed action with past and future activities that are sequentially or contextually connected;

8. Changes in Alternatives – Analysis of New or Modified Alternatives and Estimation of Their Consequences: any new or modified alternatives are analyzed to see how they might improve the situation.

9. Mitigation – Development of a Mitigation Plan: If negative impacts are identified, appropriate mitigation measures must be proposed to minimize their effects. Mitigation typically follows a sequence of strategies: 1. try to eliminate negative impacts altogether; 3. reduce the impact to the lowest possible level; 3. introduce compensatory measures for the harm caused.

10. Monitoring – Development of a Monitoring Program: finally, a monitoring plan is creat track deviations from the proposed action and detect any unforeseen significant impacts.



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Strengths and Weaknesses

PROS

Particularly suited to understanding, in advance, the consequences that may occur following the implementation of an activity.

CONS

Less suitable when the goal is to measure and quantify these impacts

Starting point for a paradigm shift in evaluation processes, where social and environmental impacts gain significant importance

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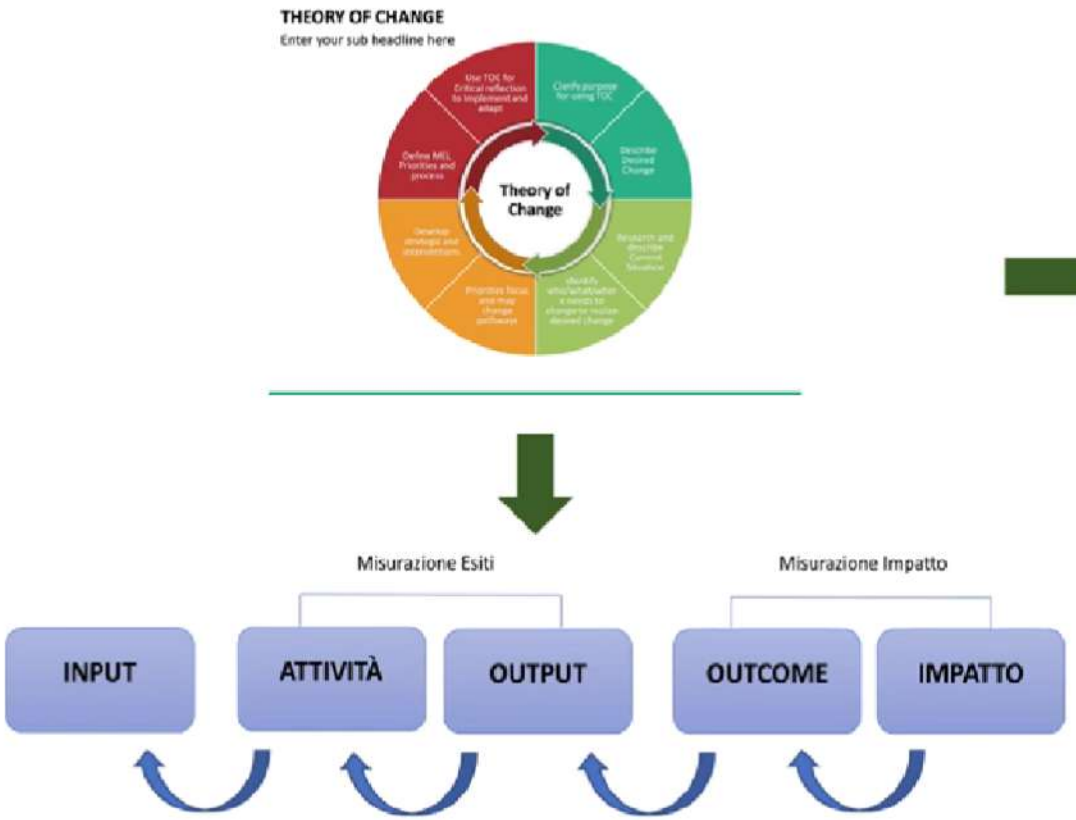
Theory of Change



Mainly used **ex ante**, during the planning phase, to define the intended impact and identify the most effective activities to achieve it. A **high level of stakeholder involvement** is required throughout the evaluation process, typically through focus groups or workshops

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The phases of ToC (1)

1. Identification of Long-Term Change Objectives and Involved Stakeholders: to define the long-term objective to be achieved and, consequently, the desired impact. Both direct and indirect stakeholders are identified and involved in the analysis process;

2. Mapping of Outcomes: identify and mapping all outcomes that are necessary and sufficient to produce the desired change;

3. Reality Check: outcomes are classified into three groups: those directly achievable by the organization or project proposer, those to be addressed at a later stage, and those to be achieved by other active stakeholders in the context;

4. Identification of Activities: the necessary activities to be introduced in order to produce the intended change must be identified and described in detail;

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The phases of ToC (2)

5. Selection of Indicators: Indicators are developed by combining qualitative and quantitative metrics, with the goal of measuring the change that the project aims to generate;

6. Testing of Assumptions: identify the conditions required for the assumptions behind the model to hold true. If obstacles prevent their realization, strategies must be defined to overcome them or to establish an alternative path;

7. Final Report: internal and external communication tool designed to highlight the value created, share lessons learned during the process, and outline future actions to improve impact delivery.

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Strengths and Weaknesses

PROS

Suitable for identifying both positive and negative impacts of a program/project or an organization.

CONS

The Theory of Change should be applied continuously, with the goal of achieving increasingly better impact outcomes year after year. However, the need to carry out this analysis ex ante can sometimes be a limitation. Additionally, there are challenges in quantifying the impacts.

A methodology that marks a shift in thinking within the evaluation field

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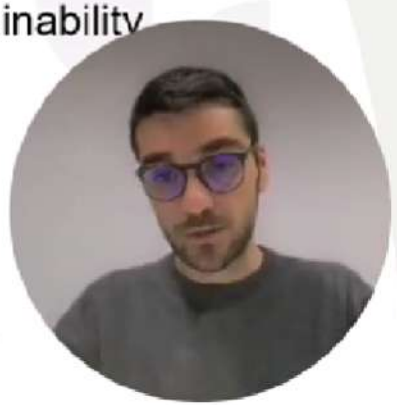
Other Methodologies

Social Return on Investment (SROI): is a methodology for measuring and accounting for the social, environmental, and economic value created by an activity, by comparing the benefits generated to the resources invested, often expressed in monetary terms.

Benefit Impact Assessment: This is an impact analysis questionnaire consisting of 150 questions divided into 5 macro-areas (governance, workers, community, environment, and business model). It helps distinguish companies that generate positive societal impact from others. It is used by B-Corp companies, making it exclusive and not applicable in other contexts.

SDGs Compass: This is an ex-ante self-assessment tool that allows business leaders to define a strategy based on the Sustainable Development Goals (SDGs), aiming for long-term sustainability. This method is also somewhat exclusive, as it is directed mainly at governance levels.



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Other Methodologies

NeXt's Participatory Self-Assessment: This is a self-assessment questionnaire divided into 6 macro-areas identified in coherence with the Sustainable Development Goals. It enables the identification of social and environmental impacts by selecting existing indicators deemed significant by NeXt's Scientific Technical Committee.

Corporate Fair and Sustainable Well-being (BESA): This is a participatory assessment tool that measures a company's ability to generate fair and sustainable well-being. Despite its relevance for large companies, it remains limited to a reporting process rather than one of impact valorization.

SABI: This is a self-assessment guide that helps companies look internally and monitor their results based on an established model, aiming to generate systemic value.

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How to choose?

The choice of an impact assessment methodology is never neutral and depends on two key factors:

1. The object of the evaluation

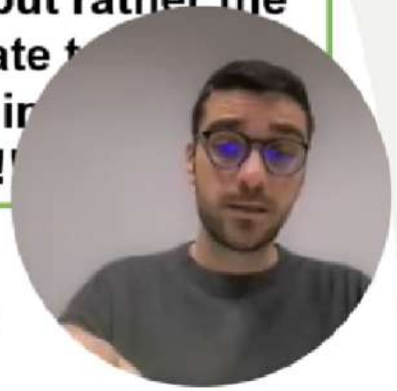
What do I want to evaluate? (a project, an organization, a policy, a service...)
What is the main focus? (social, environmental, economic, cultural...)
Who are the stakeholders or beneficiaries involved?

2. The evaluator's objective

Why am I evaluating? (to report, to improve, to measure, to communicate, to make decisions...)
Who are the results intended for? (internal stakeholders, funders, the community, policy makers...)

✅ Some methodologies are better suited for reporting
🔄 others for participatory evaluation and continuous improvement
🎯 others still for measuring outcomes against specific objectives (e.g., SDGs).

There is no "best" methodology in absolute terms, but rather the one most appropriate t context, the actors in the goals pursued!!



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Thank you for the attention!

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