

MEASURING UP

Landscaping the State of Impact Assessment Practices
amongst Corporate and Family Foundations in India



OMIDYAR NETWORK™

In Sanskrit, Dasra means “Enlightened Giving”

Dasra is India’s leading strategic philanthropy foundation. Dasra works with philanthropists and successful social entrepreneurs to bring together knowledge, funding and people as a catalyst for social change.

We ensure that strategic funding and capacity building skills reach non profit organizations and social businesses to enable them to have the greatest impact on the lives of people living in poverty.

Omidyar Network is a philanthropic investment firm dedicated to harnessing the power of markets to create opportunity for people to improve their lives. Established in 2004 by eBay founder Pierre Omidyar and his wife Pam, the organization invests in and helps scale innovative organizations to catalyze economic and social change.

To date, Omidyar Network has committed more than \$500 million to for-profit companies and non-profit organizations that foster economic advancement and encourage individual participation across multiple investment areas, including microfinance, property rights, consumer internet, mobile and government transparency.

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Foreword

The philosophy of philanthropy has been embedded in India's rich culture. With the liberalization of the Indian economy, the amount of money available for philanthropy has also grown quite significantly. We have witnessed the creation of family foundations and the gradual emergence of professionally managed corporate foundations. These foundations are solely focused on the business of giving and address the social and economic problems that affect our country.

In order to encourage strategic philanthropy and optimize its impact, there is a need to focus on strengthening processes, resource allocation and transparency. More importantly, the need to develop relevant impact metrics to evaluate the efficacy of the program and the impact it creates on lives. Being able to meaningfully capture, track and report social impact is crucial to the success of philanthropy and impact investing. Setting up of uniform and standardized impact reporting and performance standards also calls for greater collaboration and dialogue between foundations.

Omidyar Network's approach to measurement and evaluation is embedded in our approach to philanthropy.

We believe that unlocking the potential of individuals is the way to improve the world. A successful relationship between a philanthropist and the recipient must be highly collaborative and based on trust. Fostering partnerships, exercising good judgment, being flexible and open minded and embracing feedback are cornerstones of ON's approach to measurement and evaluation.

We spend considerable time with grantees to define reach and engagement around the number of lives that we positively impact. Tackling the challenges around relevant data collection and developing a gold standard around measurement of impact assessment metrics is the need of the hour.

Dasra's initiative towards landscaping the state of impact assessment practices amongst corporate and family foundations in India is highly commendable and merits our support.

Karthik Mahalingam,
Director-Legal, Omidyar Network India Advisors

“We believe our philanthropic impact is amplified because our approach uses a wide variety of tools and resources. We don't just write checks; we engage deeply with the organizations we support to help them reach and improve the lives of millions, not just thousands. We invest in for profit businesses that serve overlooked populations with much-needed products and services. We reach out to like-minded investors and advocates to form coalitions that support issues that will benefit from a unified voice.”

- Pam and Pierre Omidyar

Executive Summary

Measuring the impact of organizations working towards social goals has become increasingly important, not just to maximize resources but also to reassure givers that their donations are being put to the best use. Organizations and individuals have called for professional social impact analysis and a dialog on impact assessment practices has emerged among foundations and non profits.

Corporate and family foundations in India have made tremendous contributions to social development, with enormous potential to disseminate learnings on creating social change. Nevertheless, most conversations on social impact are taking place in pockets, with differing practices and perceptions. The focus needs to shift towards adapting and standardizing best practices, which will foster stronger strategies and greater collaboration, and hence make more meaningful change.

Our research has highlighted **four** key operational and practical challenges in impact assessment:

- **Limited access to baseline data in many projects/programs:** Although appropriate baseline data is critical for performance evaluation, accurate baseline statistics are often not captured. While data collection for monitoring and evaluation is planned, often data is not collected or collection is delayed until the intervention has been underway for some time. Several factors are responsible including a lack of financial resources or limited technical expertise.
- **Lack of skilled impact assessment practitioners:** There is a dearth of skilled individuals to carry out the research or interpret the results of the assessment.
- **Long timeframes for output and outcome measurement:** While funders are involved with a given organization for a few years at most, results may take decades to realize.
- **Impact metrics are hard to quantify:** Impact may be easier to measure, say, in a health service delivery intervention but is harder to measure in programs such as those aiming to bring social justice to the rural poor.

Despite these challenges, our research revealed four factors in building a successful and effective impact assessment practice for all foundations:

1. Planning for assessments:

Based on guidelines given by senior management and the Board, Foundations must determine how often they would like to collect metrics and the investment required in terms of cost as well as time and human resources. Our interviews with Indian foundations

To develop a perspective on how foundations in India think about measuring impact, Dasra reached out to India's leading grant-making foundations. Our research methodology followed a four-step process:

- 1** a review of 25 leading family and corporate foundation's website and annual reports
- 2** one- hour interviews with foundations on their current practices
- 3** a 4-hour roundtable discussion featuring 29 participants from 25 institutions representing Indian & global foundations, funding intermediaries & sector experts
- 4** a series of conversations with 5 organizations who function as intermediaries in the social sector and/or experts on measuring impact

showed that budget allocation for impact assessment tends to be on a project basis, with Foundations setting aside anywhere between 1% and 20% (most fell on the lower side of the spectrum) of each grant for this process.

2. Creating a list of master indicators to be measured:

Foundation staff and/or third party evaluators must decide which metrics need to be tracked and how regularly. Metrics may be quantitative or qualitative, but clarity on what is meaningful to measure and how it can be measured is necessary from the outset. Commonly mentioned indicators in our interviews included a combination of general and sector-specific indicators. One foundation emphasises education and learning-specific indicators such as teacher performance, school reports and student assessments. Other Foundations use broad indicators such as cost per beneficiary, beneficiary engagement, impact on ecosystem and sustainability. Only 13% of the Foundations interviewed can be said to have impact assessment indicators in place.

3. Designing tools and capturing information:

Once metrics have been determined, Foundations need to determine how to best collect this information. We found that Foundations use a spectrum of methods including excel-based scorecards, standardized assessments, field surveys and interviews. No one common tool has been widely adopted by Foundations in India.

4. Organizing and sharing information:

The raw data needs to be organized and presented in a form that can be used by different stakeholders, including the Foundation's Board, non profit partners, grantee organizations as well as the general public. Some Foundations reported sharing findings with their Board, as a key priority, followed by sharing learnings with grantees to bring about performance improvements. Some Foundations also shared their data with the wider public through monthly newsletters and by submitting their information to leading business journals such as Harvard Business Review.

Our study of impact assessment shows that most Foundations and individuals have developed their own impact assessment approaches independently, and their experiences have not yet coalesced into a consistent body of knowledge from which new entrants can benefit. Greater collaboration between foundations will build impact assessment practices into a meaningful and collaborative process to boost giving in India.



I. Background

As the corporate world reflects on the consequences of a lack of regulation, and the global aid and development industry is held to account there has also been an advance in the dialogue and practice of impact assessment among foundations and non profits. Globally, a number of organizations and individuals are calling for professionalization of social impact analysis and the introduction of qualifications and standards. Impact Assessment has therefore become somewhat of a hot topic. There has been considerable global focus on its importance for any organization working towards social goals including governments, grant makers, corporations, non profits, and social businesses. Toolkits and guides to implementation have been developed, movements towards standardization of measurement and metrics-based ratings have evolved and the global conversation has gained in depth and breadth. This has led to the strengthening of goals, strategies, and partnerships, and to knowledge sharing. However, in India, Impact Assessment is shrouded in ambiguity and jargon, with little or no convergence in thought on the topic, approaches to measuring impact and limited knowledge and discourse in the public domain.



Corporate and family foundations in India have a long and rich history of working towards important social goals, with each one having built their own approach towards solving social problems and/or supporting grantees that work towards this end. Their contributions to social development are tremendous, and their potential to disseminate learnings on creating social change is extraordinary. However, at present conversations around social impact are taking place in pockets, where practices and perceptions differ. To foster greater collaboration, make more meaningful change and inform stronger strategies, conversations must move towards how to adapt and standardize best practices to the Indian context.

On 20 March 2012, Dasra facilitated a conversation to discuss the issues surrounding social impact assessment amongst 25 leading Indian grant makers as part of the Indian Philanthropy Forum Annual Conference in Mumbai. We were pleased with the high level of interest in this topic and the insights articulated during the day's discussions. The purpose of the discussion was two fold:

- To convene a cross-section of philanthropic grant makers, foundation executives, and social sector experts to explore current best practices, opportunities and challenges in social impact assessment
- To begin a dialogue on developing a common set of expectations for metrics or standards that could be used in the development sector to assess the social impact of philanthropic investments

This research paper is a first step in painting a landscape of the state of impact assessment among corporate and family foundations in India and offers some conclusions for advancing an understanding of the field.

II. Dasra's Research Methodology



In order to paint a picture of how foundations in India think about measuring impact, we reached out to India's leading grant-making foundations. The sample covered both family and corporate foundations, as well as some for whom this distinction was not as clear. While this sample size and the conclusions we have drawn are not exhaustive, we believe they indicate how the sector broadly perceives and implements impact assessment. Our research methodology followed a **four-step process**:

- A review of 25 leading family and corporate foundations' website and annual report (if publicly available) to establish trends based on what is communicated in the public domain
- 1-hour interviews with foundations on their current practices to understand how they were thinking about measurement and provide more depth to the findings from step 1 above
- 1-hour round-table discussion featuring 29 participants from 25 institutions representing Indian and global foundations, funding intermediaries and sector experts
- A series of conversations with 5 organizations who function as intermediaries in the social sector and/or experts on measuring impact

III. Impact Assessment in the Indian context

As an intermediary between philanthropists and social enterprises, Dasra's experiences over the past 13 years in India have shown that grant-makers of all kinds – individual philanthropists, family foundations, corporate foundations and Corporate Social Responsibility departments – are all moving towards greater professionalization and accountability and more strategic, targeted ways of creating an impact.

Recently, corporations have been encouraged by industry bodies and the government to provide greater transparency in their philanthropic efforts with the recommended 2% pre-tax profit allocation to social projects. Measuring effectiveness and evaluating grant making are therefore increasingly becoming necessary for a number of reasons:

- Understanding whether social impact *intended* matches with social impact *created*
- Articulating social impact created
- Improving the effectiveness of activities and strategies for social impact
- Creating organizational learning for foundations as well as grantees
- Contributing to a body of knowledge in the social sector, which prevents duplication and reinventing the wheel.
- Including beneficiary feedback and community engagement

IV. Conclusions: Impact assessment practices in India



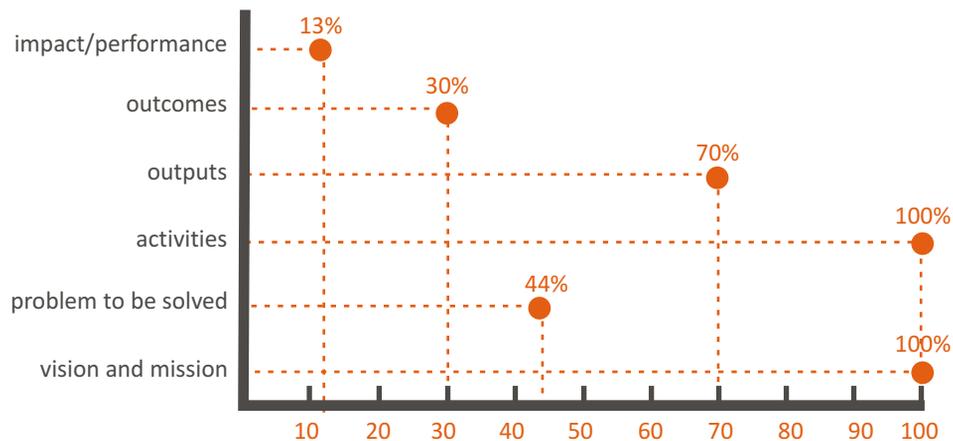
Using the impact assessment logic model as a guide to map the current state of impact assessment amongst foundations, Dasra research found that grant makers in India fit squarely in **two** broad categories:

1. Those that see proving impact as leading to exponentially greater social change through more **informed strategies**.
2. Those that see greater value in reaching larger numbers with social change inherently built into the **values, vision and mission of the foundation**.

Despite these philosophical differences in our sample's perceptions, our key findings on impact assessment practices in India show:

- The majority of foundations in our sample have a tendency to measure outputs rather than outcomes.
- There are significant differences in the amount of publicly available information on impact assessment processes, results and information disclosed in conversations.
- Impact metrics are hard to quantify. Foundations face challenges in defining and selecting appropriate metrics that demonstrate change. Qualitative metrics are particularly difficult to measure.
- Foundations have invented ways of assessing performance, often independently of parallel efforts, creating overlapping solutions to common problems in impact measurement. Most foundations see a lot of value in sharing learnings between grant-makers on a common platform in the Indian context.

Our scrutiny of websites and annual reports showed a lack of consensus among foundations on what assessment involves and how much of this can be shared to contribute to a growing body of knowledge in the social space. This is reflected in the chart below.



Our analysis demonstrates that Foundations are particularly strong at sharing information on their motivations and goals (vision and mission), what they do to realize these (activities) and their reach (outputs). This type of information can broadly be categorized as ‘monitoring’, which gives an excellent sense of the foundations values and work and is the dominant assessment practice for 40% of our sample.

However, we also found that significantly fewer foundations correlated these elements with specific social problems they aim to help alleviate (44% articulated problems to be solved). It follows that availability of information on measuring how activities are changing problems (outcomes) was also relatively low (30% indicated having outcome

measurement processes or stated outcomes). According to our framework, only 30% of foundations evaluate their grant making.

Finally, our analysis shows that a mere 13% of our sample measures outcomes against their vision as an organization to gauge how their grant-making correlates to their success in creating overall social change.

To delve deeper into these conclusions, we reached out to our sample to confirm that our analysis reflected Foundations' practices, the challenges involved in impact assessment and promising future approaches.

V. Challenges Involved

In the course of planning and implementing impact assessment, foundations often confront any number of problems with serious implications for impact assessment methodology and, consequently, the validity of findings. Our research has helped highlight **four** key operational and practical challenges in impact assessment:

1 Limited access to baseline data in many projects/programs:

Baseline data can come from the project's monitoring and evaluation (M&E) system, rapid assessments, studies, surveys commissioned at the start and end of the project, or from secondary data sources.

Whatever the source, the availability of appropriate baseline data is always critical for performance evaluation, as it is impossible to measure changes without reliable data on the situation before the intervention began. Although most interventions plan to collect baseline data for results monitoring and possibly impact evaluation, often data is not collected or collection is delayed until the intervention has been underway for some time. The reasons may include a lack of awareness of the importance of baseline data, a lack of financial resources, or limited technical expertise.

2 Lack of skilled impact assessment practitioners:

Foundations may choose to conduct impact assessment internally, or with the help of third parties. In either case, there is a dearth of skilled individuals to carry out the research or interpret its results.

Impact assessment consultants with strong knowledge of the program, who are able to listen and record information in as unbiased a manner as possible, and who can manage expectations of the beneficiaries at the community level are crucial to conducting a robust assessment.



A Program Leader at the Sir Dorabji Tata Trust notes “Rarely does a field of engagement in rural India have accurate baseline statistics. The Trust can create a baseline using secondary data, but the baseline is then gross in nature”.



“Developing the right talent for Impact Assessment is a challenge. Our teams know how to do conduct monitoring and evaluation of our programs, but Impact Assessment requires a more advanced skill set”, says Pamela Shrivastava, Head - Sustainability and Global Partnerships at Shiv Nadar Foundation.

3 Time horizons for output and outcome measurements are long:

Most funders are involved with a given organization for a few years at most, yet results may take decades to realize. This disjuncture might be resolved by establishing clear short-term benchmarks for longer engagements.

The timing of the impact assessment may seriously affect the applicability of results, making it crucial for grant-makers to determine assessment timing and benchmarks before the start of interventions.

4 Impact metrics are hard to quantify - Value cannot always be measured:

The paradox of measurement is that value cannot always be easily measured, much less readily quantified.

The reliance on numbers and counting creates a false precision about what is an inherently uncertain and evolving process. “To capture the changes that are of most importance to developmental practitioners we cannot reduce things of quality to quantities and little boxes. We end up considering only that part of what is important that is easily measured” notes Pradeep Nair, Director at the Clinton Climate Initiative.

An over-reliance on quantitative data may mean that the real essence of change is not recorded or understood.



“Conducting impact assessment exercises at the end of a project may not provide opportunities for foundations to learn from potential mistakes. It is therefore critical to think of impact assessment as a management tool that measures change at regular intervals. Then only can foundations evaluate their effectiveness and make changes to their approach if needed” says Founder of the Kiawah Trust, Peter Smitham.



According to Sohini Bhattacharya, Strategy Coordinator at Asian Venture Philanthropy Network (AVPN), “Impact may be easier to measure in a health service delivery intervention and harder to measure in programs that aim to bring social justice to the rural poor. Nevertheless, organizations must still work towards testing their theory of change to show causal effects of their work”.

VI. Cornerstones of Impact Assessment

Despite the challenges described above, our research demonstrated four key factors in building a successful and effective impact assessment practice for all foundations. The diagram below illustrates the same:-



Best Practices for Building the Field

1 Planning for assessments:

Based on guidelines given by senior management and the Board, Foundations must determine the structure of their impact assessment process, such as how often they would like to collect metrics and the investment that they would like to make, both in terms of cost as well as time and human resources.

Defining impact assessment activities at the planning stage is critical to a successful assessment.

Through our interviews with Indian foundations we found that budget allocation for impact assessment tends to be on a project or grant basis, with Foundations setting aside anywhere between 1% and 20% (most fell on the lower side of the spectrum) of each grant for this process. Only five Foundations reported hiring third party evaluators for impact assessment, with others conducting the process in-house with the help of the project team.

2 Creating a list of master indicators to be measured:

Foundation staff, in conjunction with any third party evaluators, must decide which metrics need to be tracked, and how regularly, to assess the impact of their projects. Metrics may be quantitative or qualitative, depending on the scope of information available to the foundation as well the nature of its work.

In our interviews, commonly mentioned indicators included a combination of general and sector-specific indicators. For example, The Bharti Foundation, which works in India's rural education sector emphasizes education and learning-specific indicators such as teacher performance, school reports and student assessments. Other Foundations shared broad indicators they use that could be used to add value to the impact assessment process in any sector. These include reach, cost per beneficiary, beneficiary engagement, impact on ecosystem and sustainability.

While The Bharti Foundation has a comprehensive list of measurement indicators in place, only 13% of the Foundations interviewed can be said to have impact assessment indicators in place. Many of the newer foundations are still in the process of determining their processes while other foundations stop at measuring outputs/outcomes.



“Grant-makers, when planning impact assessments in conjunction with their beneficiaries, are asking the beneficiaries to do something that may not have done before. Beneficiaries may not have the sufficient orientation towards measuring change and it is thus the responsibility of the funder to provide their beneficiaries with financial and non financial resources like time, guidance, etc.” says Molly Alexander, Business Manager at the Acumen Fund, India.



Clarity on what is meaningful to measure and how it can be measured is essential from the outset.

3 Designing tools and capturing information:

Once metrics have been determined, Foundations must decide how to best collect this information from beneficiaries and/or field partners.

Our interviews revealed that Foundations are using a spectrum of methods to collect information regarding their impact. Some foundations reported using excel-based scorecards while others use standardized assessments, field surveys and interviews. Tools often vary from sector-to-sector and, in general, no one common tool has been widely adopted by Foundations in India.

4 Organizing and sharing information

The raw data must be organized and presented in a form that can be used by different stakeholders, including the Foundation's Board, non profit partners, grantee organizations as well as the general public.

Foundations conducting impact assessment reported sharing findings with their Board, as a key priority, followed by sharing learnings with grantees to help enhance performance. Some Foundations also shared their data with the public through monthly newsletters and by submitting their information to leading business journals such as Harvard Business Review.

The Bill & Melinda Gates Foundation's Avahaan Program provides an example of the benefits of sharing impact assessment with the broader public. According to Dr. Amir Khan, Deputy Director of the Gates Foundation, "One of the major reasons that the Foundation conducts impact assessment is to demonstrate to the government that a solution has been successful and can be taken over by the government authorities. Avahaan was started in 2002 to provide targeted HIV prevention programs in the six Indian states with the highest HIV prevalence, and along the nation's major trucking routes.

The Foundation conducted a diligent impact assessment on Avahaan to demonstrate its success to India's National Aids Control Organization in 2009. By 2013, 90% of Avahaan's control is expected to go to the government. The sharing of impact assessment results enables a program to become sustainable in the long-run".



"Organizations in India are not yet geared to think about how they should be reporting and analyzing information - donors do not expect it.

There is currently no standardization between what donors are looking for under impact assessment, thus causing confusion and overlap. The sector needs to work together to come up with common metrics" says Mallika Singh, Principal at the Omidyar Network in India.



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Conclusion

Even with this limited study of impact assessment, it is clear that the field is marked by varying approaches and a lack of standardization.

Foundations and individuals have each developed their own approaches independently, but their experiences have not yet coalesced into a consistent body of knowledge from which new entrants can benefit.

To move towards best practices, greater collaboration between foundations will help build a meaningful and accurate impact assessment process and boost more effective giving in India. We hope that this report represents a step in that direction.



Research Sample

Interviews Conducted	Websites Surveyed	Roundtable
Azim Premji Foundation	www.azimpremjifoundation.org	Acumen Fund
Biocon Foundation	www.bioconfoundation.org/	Bill & Melinda Gates Foundation
Bill & Melinda Gates Foundation	www.gatesfoundation.org/pages/home.aspx	Centre for Advancement of Philanthropy
Jindal South West Foundation	www.jswfoundation.com/	Edelgive Foundation
Rajiv Gandhi Foundation	www.rgfindia.com/	FSG
Shiv Nadar Foundation	www.shivnadarfoundation.org/	Mahindra
Vodafone Foundation	www.vodafone-foundation.in/	Kiawah Trust
Bharti Foundation	www.bhartifoundation.co.in/	NS Foundation
Dorabji Tata Trust	www.dorabjitatatrust.org/	Piramal Foundation
Edelgive Foundation	www.edelgive.org/	Shiv Nadar Foundation
Godrej Group	www.godrej.com	Anarde Foundation
Piramal Foundation	www.piramal.org.in/	Samhita
Omidyar Network	www.omidyar.com/	KPMG
Mahindra	www.mahindra.com/	AVPN
Shell Foundation	www.shellfoundation.org/	CAF
Hemendra Kothari Foundation	www.wildlifeconservationtrust.org/hemendra-kothari-foundation	Clinton Climate Initiative
Sir Ratan Tata Trust	www.srtt.org/	Ambuja Cements Foundation
BlackRock Foundation	www2.blackrock.com/	
Bajaj Foundation	www.bajajfoundation.org/	
Thermax Foundation	www.thermaxindia.com/	
NS Foundation	www.ns.foundation.co.in	
Wockhardt Foundation	www.wockhardtoundation.org	
Tata Steel	www.tatasteel.com/	
Ambuja Cement Foundation	www.ambujacementfoundation.org/	
Forbes Marshall Foundation	www.forbesmarshall.com/	
ICICI Foundation		
Dahlberg Global Development Advisors		
Edmond de Rothschild Foundations		
Ford Foundation		
FSG		
Packard Foundation		
Rockerfeller Foundation		
Centre for Advancement of Philanthropy		
McKinsey & Company		
Acumen Fund		
Give India		
Guide Star		
TISS		
IDRC		