

Grassroots

Reconciliation Group

Social impact assessment and valuation

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Introduction to impact valuation

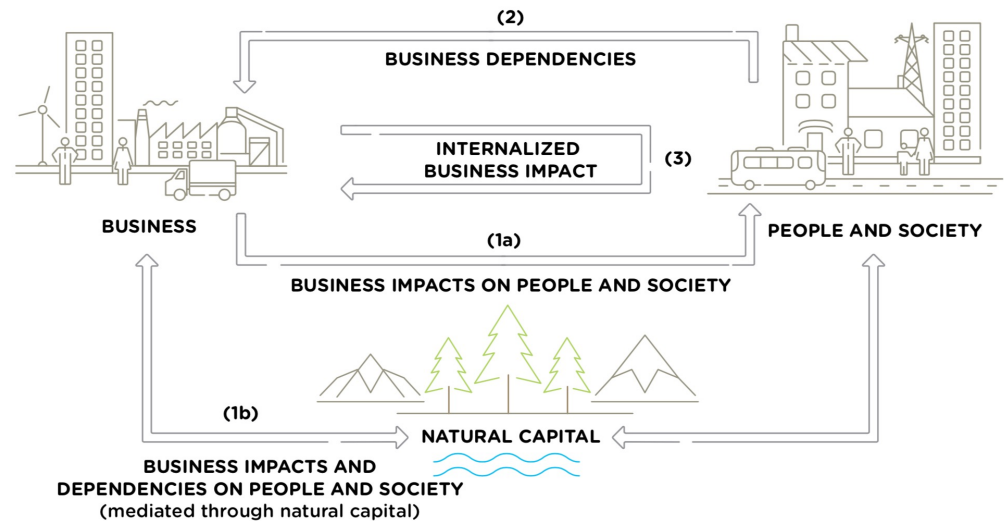
Introduction - Societal value and impact valuation



It all comes to valuing what matters and the full impact of organizations across the three pillars of sustainability: social, environmental and economic. Organizations have been more and more challenged to prove their contribution to the society. They have developed sustainability strategy, took commitments, and now it is time to demonstrate their impact.

Impact valuation is the quantification of the impact on people, nature and society created by the activities of an organization directly or indirectly, and through its full value chain. We use monetary techniques to value the outcomes to ensure comparability between activities and pathways and allow an easier communication.

In the following slides we introduce the impact assessment framework that is be used to assess the societal impact of Grassroots activities for one year of activity.



Interaction between businesses, society and nature. Source: Social and human capital protocol, 2019.

Methodology background

The method used to assess the societal impact of Grassroots activities is based on the following frameworks:

- The Social and Human Capital Protocol (2019, Capitals Coalition),
- The Natural Capital Protocol (2016, Capitals Coalition), and
- A Guide to Social Return On Investment (2012, The SROI Network).

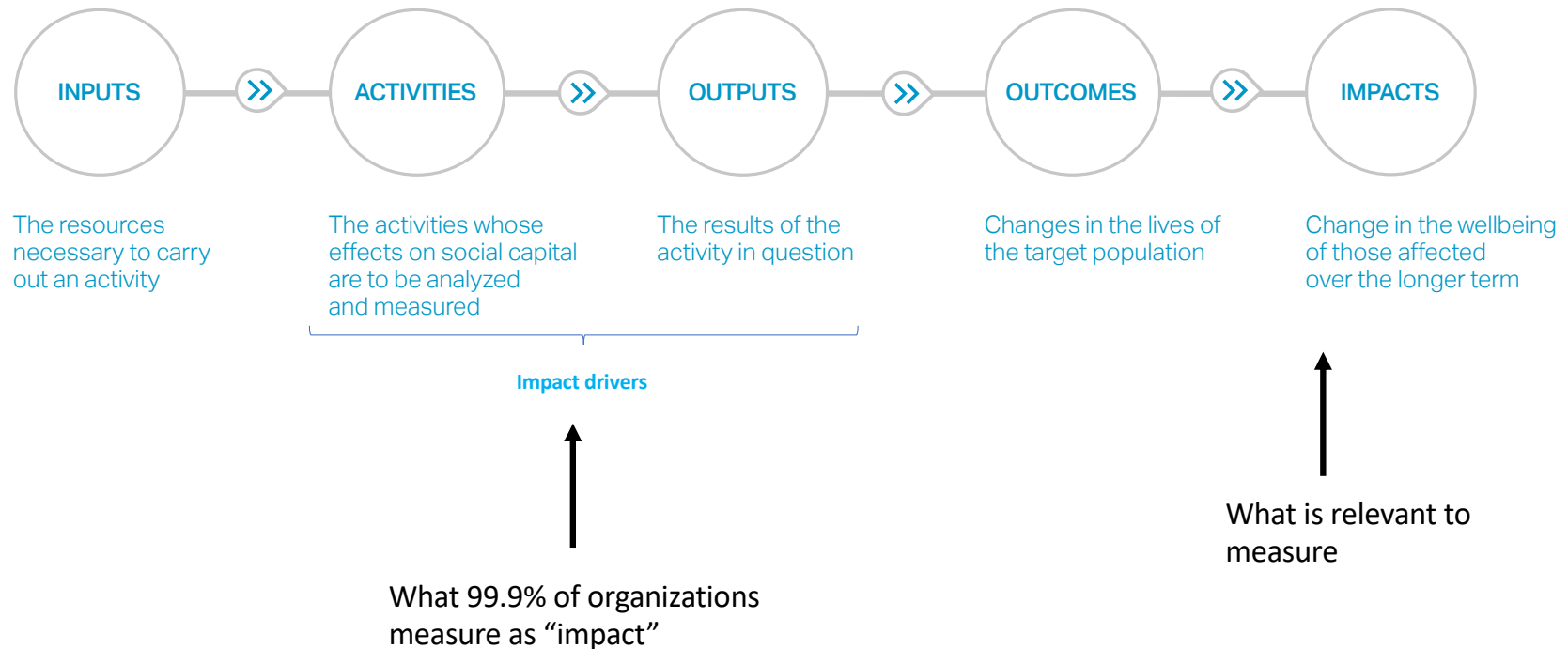
The method used is also informed by (and compatible with) other impact frameworks such as the GIIN COMPASS, and the Impact Management Project.

Valuation methods and factors have been developed from public sources by Valuing Impact. They are available upon request, including the valuation model.

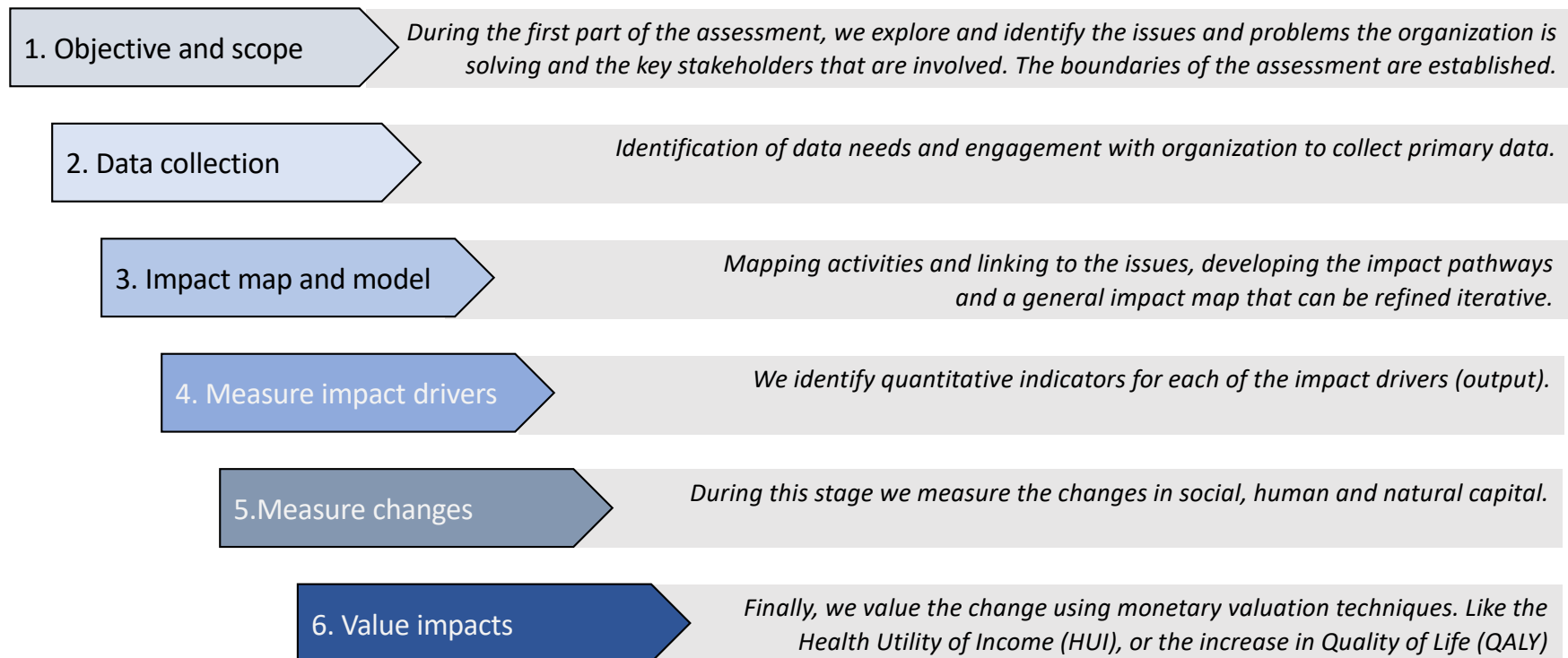


The impact pathway

The impact pathways are at the basis of the impact valuation methodology. We derive them for each outcome identified for the beneficiaries, linked to all activities of Grassroots. An impact framework is a collection of impact pathways that we present in a slide further below for Grassroots. It gives an overview of all pathways and outcomes that are assessed in the impact valuation model developed.



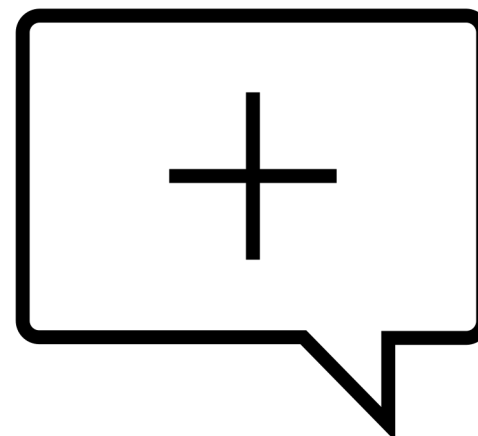
Impact assessment process



Key use and added-value

From due diligence process, awareness and understanding, decision making and strategy to leadership, the impact valuation method allows to accompany any organization or project along this maturity curve and deliver added value, among others:

- **Assess projects:** assess the overall social benefit from a project from different organizations.
- **Assess activities:** to understand which activity yields a higher return on investment and thus have focus on those activities.
- **Impact investment:** It is a decision-making tool for impact investment, because it provides a general view of the projects that provide a higher social return on investment.
- **Increase efficiency:** by understanding which activities or driver provide higher value within the organization.
- **Monitoring and evaluation frameworks:** Provide a general framework to monitor and evaluate what matters in an organization.



Impact framework, data and methodology

Summary of Grassroots Reconciliation Group activities covered in our assessment



Grassroots Reconciliation Group is a local NGO working in Uganda with former child soldiers and refugees. Their goal is to support war-affected communities in the northern part of the country helping to heal trauma, by providing psychological support and business opportunities through locally designed projects.

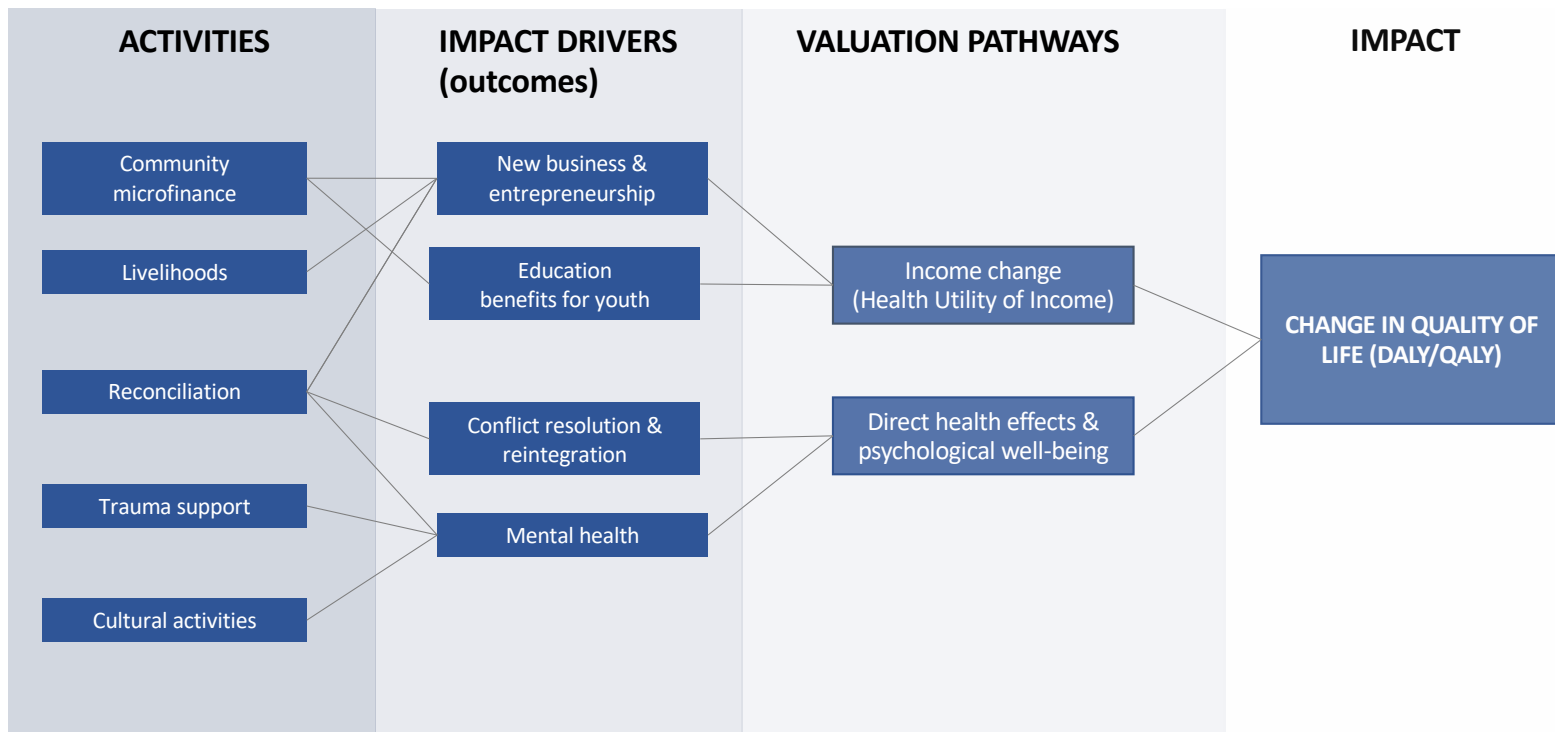
The main five areas of work are:

1. **Community microfinance:** basic training in managing money and savings account. These activities also provide children with education in school.
2. **Livelihoods:** aims to develop small business and entrepreneurship activities like brickmaking, beekeeping, farming and animal husbandry.
3. **Reconciliation:** is achieved by targeted interventions that support groups to resolve conflicts and bring peace to the community. The organization also provides support to women to access land rights.
4. **Trauma support:** includes group therapy, one-on-one counselling and specialized workshops to improve mental health and psychological well-being.
5. **Cultural activities:** like a theatrical group provide a tool for participants to understand situation and events from alternative perspectives and provides an outlet for expression.

These five activities are part of the impact assessment framework that is presented on the next slide.

Impact pathways overview map

The figure below shows the impact pathways overview map, or theory of change, that was used to model GRG activities. We split usually the impact pathways into activities, impact drivers and valuation pathways leading to the impact defined here as the change in quality of life or human well-being.



Grassroots data summary - 1



The following tables shows the primary, secondary data sources that are used for each impact pathway. In addition, key assumptions are listed. Primary data was sourced from the website, latest annual report (2019) and email communication from the organization.

Impact pathway	Primary data	Secondary data	Assumptions
General	1,000 beneficiaries in 2011 1,500 beneficiaries in 2016 2,623 beneficiaries in 2019 (1,573 women and 1,050 men) and 1,850 indirect beneficiaries 46,840 USD Budget 2019 43,000 USD Budget 2020 40,989 USD Budget 2021 370 families 5-year cycle	790 Uganda GNI in 2019 (World Bank Data 2019) 1.77 USD/USD HUI Factor (Vionnet et al. 2021)	10% of cumulative impact from the other pathways for 1,200 reconciliation and trauma support.
Community microfinance	153 small business 57% former child soldiers started small business 48% increased income 740 children to attend school for a year (secondary and primary level) 200 participants (child soldiers)	14% earning premium for primary education	2-year benefit of increased income 20 year NPV for education benefits
Livelihoods	90 refugees supported through the Village Savings and Loan Association 175 participants in beekeeping with increased honey sales Five groups with 175 goats 65% income increased through the VSLA Improved nutrition among children		2-year benefit of increased income

Notes:

GRG has been working in Uganda since 2007.

The 90 refugees supported were granted a loan for 700,000 UGX per group (30 refugees) and turned into 15,500,00 UGX savings in one year

Grassroots data summary - 2



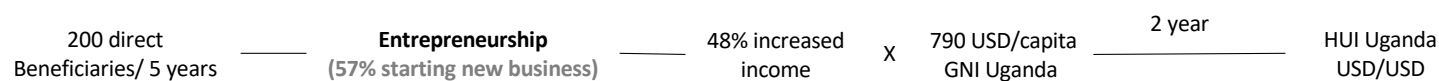
The following tables shows the primary, secondary data sources that are used for each impact pathway. In addition, key assumptions are listed. Primary data was sourced from the website, latest annual report (2019) and email communication from the organization.

Impact pathway	Primary data	Secondary data	Assumptions
Trauma support	90% of participants with fewer trauma-related issues 160 participants in Sexual and Gender-Based Violence awareness (SGBV) raising campaign 201 participants in counselling sessions 1,200 indirect beneficiaries	0.523 Disability weight for severe anxiety disorder	10% reduction of severe anxiety disorder 1/2 year of benefit Duration of activity 2 years
Reconciliation	24% women with access to land for farming 1,929 direct participants (conflict resolution) 100 peace ambassadors trained	Some effects of conflict resolution are reduced violence, increased opportunities for farming land, reduction in alcoholism.	1% increase in well-being 2-year duration
Cultural activities	460 direct participants performing on SGBV, ethnic tensions, peaceful coexistence and alcohol abuse		1% increase in well-being 2-year duration

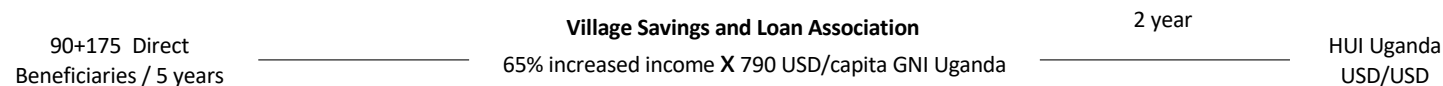
Detailed impact pathways - 1



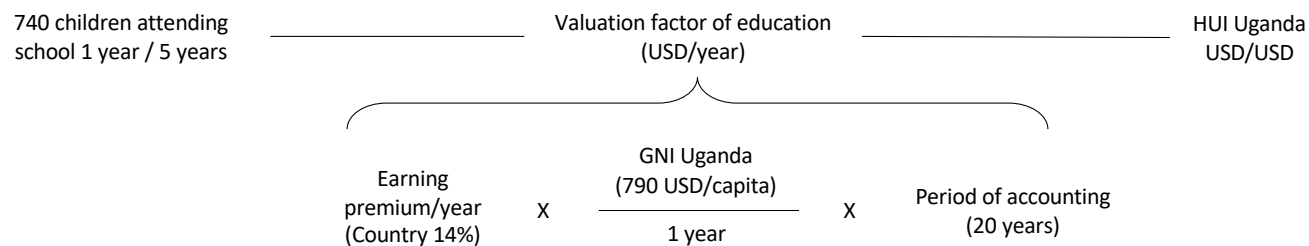
Community microfinance



Livelihoods



Earning premium of education

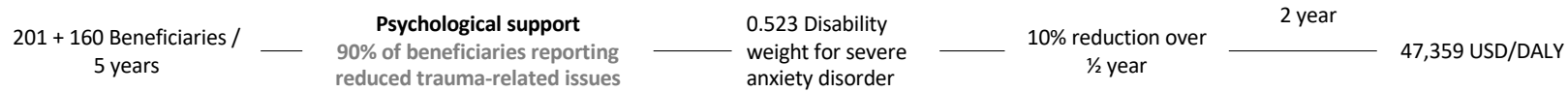


Increased life quality (DALY)

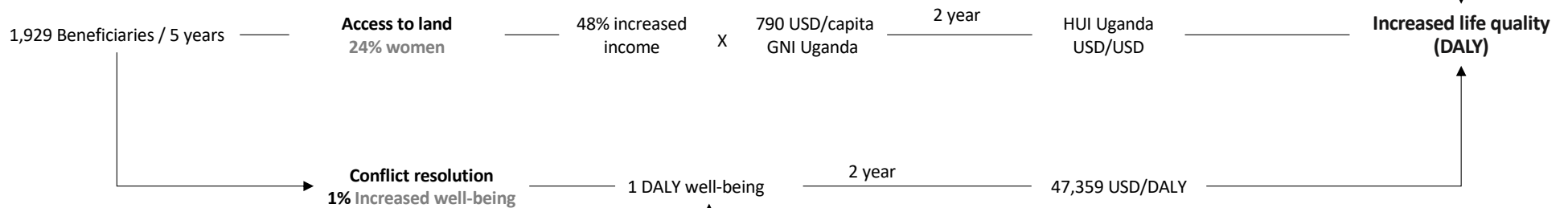
Detailed impact pathways - 2



Trauma support



Reconciliation



Cultural activities



Wellbeing pathway parameters summary



We assessed “direct health effects & psychological well-being” for activities that target war trauma, reconciliation and integration. This activities have the benefit of increasing mental health in beneficiaries. We use DALYs to measure the health improvements in targeted beneficiaries. In the following table we provide a summary of the health and psychological parameters used to assess the impact of those activities addressing trauma.

Impact pathway	DALY value for war trauma	Improvement in health state	Assumptions
Trauma support	0.523 Disability weight* for severe anxiety disorder	10% reduction of severe anxiety disorder	1/2 year of benefit Duration of activity 2 years
Reconciliation		1% increase in well-being	2-year duration
Cultural activities		1% increase in well-being	2-year duration

*Institute for health metrics and evaluation – Global Burden of Disease 2019 sequelae, health states, health state lay descriptions, and disability weights

Measuring well-being

An underlying concept in measuring social impact, is the change in human well-being.

Measuring well-being can appear to be complex, but there is a measure called “Disability Adjusted Life Years”, or DALY, that has been used for years by scientists, economists and the World Health Organisation (WHO).

The disability-adjusted life year (DALY) is a measure of overall disease burden, expressed as the number of years lost due to ill-health, disability or early death. It can be either negative or positive (avoided DALY).

The DALY is becoming increasingly common in the field of public health but also in the wider field of impact assessment and valuation. It extends the concept of potential years of life lost due to premature death to include equivalent years of 'healthy' life lost by virtue of being in states of poor health or disability.

In so doing, mortality and morbidity are combined into a single, common metric.

DALY

Disability Adjusted Life Year is a measure of overall disease burden, expressed as the cumulative number of years lost due to ill-health, disability or early death

$$= \text{YLD} + \text{YLL}$$

Years Lived with Disability Years of Life Lost



Source: Wikipedia, creative commons license

A disease, or any non-ideal state of mental health or psychological status, is translated into a DALYs using weights (from 0 to 1), which are published by the WHO for the most common sources of diseases and injuries.

It is possible to extend this concept of weight to additional conditions, such as psychological states which are not necessarily recognized as a disease by the WHO, but that are still affecting the quality of life of people. This can be for instance a feeling of integration in the society as observed in various cases that we are addressing.

Results

(per year of activity)

Output/outcome summary



5,123

Direct beneficiaries reached since 2011



740 children

Attending school since 2011



15 cumulative years of life quality improved per year

Thanks to activities targeting increased **trauma support, reconciliation and cultural activities** (based on 2019 assessment)



450,000 USD/year

Economic value created per year of activities (based on 2019 assessment)



330,000 USD

Economic value created from education outcomes only (based on 2019 assessment)

Overall results and SROI



1:35

For every dollar invested in Grassroots, 35 dollars of equivalent societal value are created

USD1.5 million

Societal value has been created through those activities for a budget of USD 43,000.

GRG Impact assessment results - Details



The assessment for GRG considers the societal benefit per year of activity, using the reported beneficiaries over a 5-year cycle.

The assessment shows that GRG provides a total societal benefit of 1.5 million USD per year and a high SROI ratio (35:1). Most of the positive societal benefit is derived from the education provided to children (a complete year of education), thanks to the community microfinance activities. There is also a high societal benefit from reconciliation activities which include psychological support to a large number of beneficiaries (386) per year and also a proportion of women (93) who have gained access to land rights.

The increased mental health from trauma support and cultural activities oriented to heal trauma are important for beneficiaries, that have been through a really bad experience.

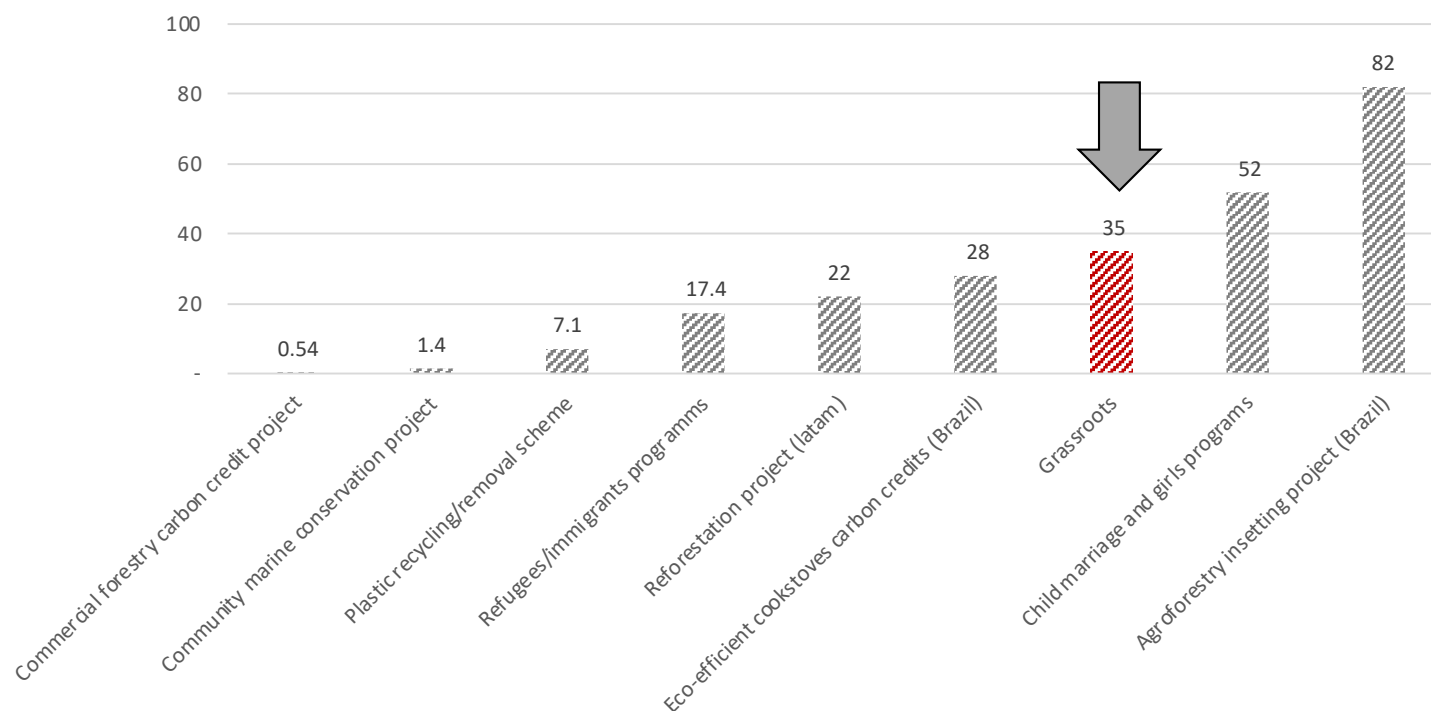
Although we made the best assumptions to consider the psychological effects these impact pathways could be refined in the future with data on mental health for children at war.

Indirect beneficiaries were considered here with a 10% benefit of increased mental health impact pathway, as the effects of the intervention have an additional layer of uncertainty that is difficult to estimate.

	Sum of Societal valuation (USD per year of activity)
Community microfinance	609,836
Earning premium of education per year	579,241
Net increased income from entrepreneurship activities	30,595
Reconciliation	489,669
Increased mental health and stigma reduction	365,422
Net increased income from women access to land rights	124,247
Trauma support	160,947
Increased mental health and stigma reduction	160,947
Indirect beneficiaries	113,662
Increased mental health and stigma reduction	113,662
Cultural activities	87,141
Increased mental health and stigma reduction	87,141
Livelihoods	59,965
Net increased income livelihood activities	59,965
Grand Total	1,521,219
Average budget per year	\$ 43,610
SROI	35

Benchmarking

Benchmarking from a selection of organizations assessed by Valuing Impact is provided on the graph below. The typical range of SROI is 1:5 to 1:15 for most of the projects we assessed. Some organizations targeting very challenging situations with success have a higher SROI, although it is rare. Grassroots has a SROI of 35, which belongs to the top performing organizations. Although we have to account for the fact that the results have a high uncertainty due to the current situation around data collection which can be improved in the future.



Conclusions



1. The SROI ratio of the organization is in a range of high performance (1:35). In general, ratios of 2:1 ratio are considered beneficial and worth investments. Meanwhile SROI ratios below 1 are deemed underperforming and require improvement.
2. Livelihood (through micro-finance for instance) and psychological wellbeing are key to Grassroots impact. Grassroots impact results are composed of various impact pathways, which can each analyzed individually to understand barriers and opportunities to improve further the positive impact delivered to the beneficiaries.
3. The results can be used for:
 - a) The identification of the most important impact drivers (for project design and optimization)
 - b) Engagement with third parties, to share knowledge and develop partnership towards more impactful projects
 - c) Communication towards founders (to support fund raising)
 - d) Support operational plan of Grassroots to collect more relevant data in the future
 - e) Raise awareness and capacity building for Grassroots organization