SIMPACT PROJECT REPORT

Report **#D7.2**

Evaluation Toolbox - Ex-Ante Impact Assessment & Value Network Analysis for SI

Steven DHONDT[a], Hardy VAN DE VEN[A], Peter CRESSEY[b], Anna KADERABKOVA[c], Álvaro LUNA[d], Saeed MOGHADAM SAMAN[c], Javier CASTRO SPILA[d], Rita ŽIAUBERYTĖ-JAKŠTIENĖ[a], Wouter VAN DER TORRE[a], Judith TERSTRIEP[e]

[a] TNO

[b] University of Bath

[c] VŠEM – Centre for Innovation Studies

[d] Sinnergiak Social Innovation

[e] Institute for Work and Technology

December 2016

Acknowledgements
We would like to thank Minna Kanerva, Hugo Hollanders and others who have provided inputs or comments to drafts, and Anna Berlina, Leneisja Jungsberg, Maria Kleverbeck, Tamami Komatsu, Liisa Perjo, Saeed Saman and Judith Terstriep for their support with the survey of SIMPACT case studies

SIMPACT

SIMPACT is a research project funded under the European Commission's 7th Framework Programme from 2014-2016 and is the acronym for «Boosting the Impact of SI in Europe through Economic Underpinnings». The project consortium consists of twelve European research institutions and is led by the Institute for Work and Technology of the Westphalian University Gelsenkirchen in Germany.

Suggested Citation

Dhondt, S., van de Ven, H., Cressey, P., Kaderabkova; A., Luna; Á. Moghadam Saman; A., Castro Spilla; J., Žiauberytė-Jakštienė, R. Van Der Torre, W. & Terstriep, J. (2016): *Toolbox - Ex-Ante Impact Assessment & Value Network Analysis for SI*. Report D7.2 of the project «Boosting the Impact of SI in Europe through Economic Underpinnings» (SIMPACT), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research & Innovation.

Legal Notice

Document Properties

Project Acronym	SIMPACT
Project Title	Boosting the Impact of Social Innovation in Europe through Economic Underpinnings
Coordinator	Institute for Work & Technology of Westphalian University Gelsenkirchen
Deliverable D7.2	Toolbox Ex-Ante Impact Assessment & Value Network Analysis for SI
Author(s)	Steven Dhondt; Hardy van de Ven; Peter Cressey; Anna Kaderabkova; Alvaro Luna; Saeed Moghadam Saman; Javier Castro Spila; Rita Žiauberytė-Jakštienė; Wouter van der Torre; Judith Terstriep
Document Identifier	FP7-SSH.2013.1.1-1-613411-SIMPACT – D7.2
Work Package	WP7 Impact Analysis: Economic Evaluation of SI
Date	20 December 2016
Dissemination Level	PU - Public
Dissemination Nature	R - Report
Document Status	Final

The SIMPACT project receives funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under Grant Agreement No: 613411.

Table of Contents

Figures

Annex Figures

Tables

Annex Tables

EXECUTIVE SUMMARY

This report contains a toolbox for use with the Ex-Ante Impact Assessment for social innovations as was developed in the report D7.1. This toolbox proposes a series of convenient and useful tools to apply in an ex-ante assessment of social innovation within SIMPACT's policy areas unemployment, immigration and demographic change. We have conducted three supporting case studies in which the framework and tools have been applied. The lessons from these cases are included in this report. Our framework is not necessarily an addition of another full-blown social impact assessment instrument, but has the aim of providing «grip» to policymakers, social investors and social innovators within this complex process. The conceptual framework from which the tool was developed in D7.1, consists of the following five steps:

1. Determining goals and socio-economic outcomes;
2. Determining causal relationships between inputs, outputs and outcomes;
3. Determining the role of stakeholders;
4. Calculating impact;
5. Decision process.

For each of the five steps, tools are proposed and discussed in terms of what level they are to apply to (micro-, meso-, or macro-level) and for who they are best suited (policymaker, social investor, or social innovator), combined with a description of how to apply the tools. One key assumption in the conceptual framework is that a mixed-methods approach is necessary to account for the complex nature of social innovations and take into account quantifiable (tangible/monetized) and qualitative (intangible/non-monetized) outputs and outcomes. The proposed tools in this toolbox were selected to cover this mixed-methods approach.

In the toolbox, special emphasis is placed on the Skandia Tool. The Skandia Tool is a relatively new instrument developed in Sweden and Denmark, containing several tools, and encompasses virtually all aspects a social impact assessment should cover. The Skandia Tool is different from other tools by being based on prevention and including a time perspective of several years, if not an entire lifespan. However, time and resources constrain the use of the entire Skandia Model meaning only relevant parts of the Skandia Model have been used and included in the different steps.

Our conceptual framework has been applied to three case studies; two case studies covered specific programmes of social innovation, whereas one could be seen as infrastructural, guiding decisions about investing, governing and supporting/ monitoring social innovations. Lessons learned from the case studies were deducted for the different steps of the framework.

In conclusion, the toolbox consists of a series of steps sprung from our conceptual framework. This framework aims to be a practical guide to both assessor and assessee by structuring the development and decision process. Possible tools for performing a social impact assessment are not limited to those proposed in this toolbox and customization is needed to provide a tailor-made ex-ante assessment of social innovation.

1 STRUCTURE OF THE TOOLBOX

The goal of this Deliverable 7.2 is to propose several tools to execute an ex-ante impact assessment. Our starting point is the conceptual framework for ex-ante impact assessment of social innovations developed in Deliverable 7.1. The previous report has delivered us a conceptual framework for such an assessment. Ex-ante impact assessment for social innovation is a tool for decision making in situations where one has different stakeholders. Because the field of social innovations is still in its development phase, the tooling is not yet fully developed. As clarified in D7.1, the impact assessment will necessarily be different in process and outcome, when looking at the different stakeholders involved in different social innovations.

In Chapter 2 a chain of convenient and useful tools corresponding to the steps in our ex-ante impact assessment process are proposed in order to provide a *systematic* impact assessment framework for social innovations. By suggesting different tools we aim to highlight how the mixed-method approach, the relevance of which for SI impact assessment was discussed in D7.1, can be used to enrich and complement the capabilities of the various tools within our framework. Figure 1 depicts the five-step model of the ex-ante impact assessment of social innovation which was developed in D7.1 of SIMPACT.

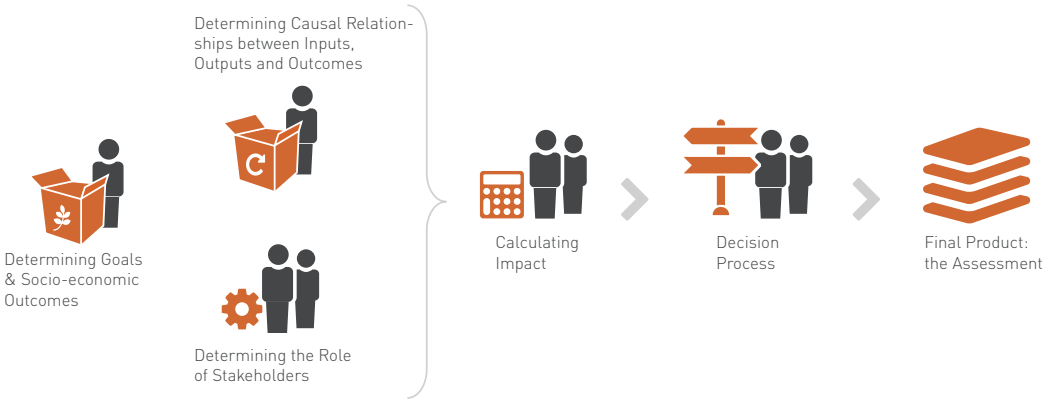


Figure 1. Five steps for ex-ante impact assessment of social innovation (Dhondt et al., 2016)

As it is shown in Figure 1, the process of an ex-ante impact assessment of social innovations starts with determining the socio-economic outcomes pursued by the innovation initiative, and ends with the delivery of an assessment report.

A mixed-method approach will most clearly affect two of the middle steps in the ex-ante impact assessment framework which more closely deal with the issue of impact analysis and measurement, namely in 'determining the role of stakeholders', where the types of values generated and exchanged by the stakeholders will be analysed, and in 'calculating impact', where the extent of the values created will be measured. Nevertheless, it is expected that the final decision process will also clearly be informed by the results of mixed-method approach in evaluations. In other words, the mixed-method approach will help the decision maker to include both quantitative and qualitative assessment results in the decision making, assuring that both tangible/monetizable and intangible/non-monetizable values created by the social innovation will be taken into account in a comprehensive assessment.

We will discuss possible social impact measurement instruments that, through a **mixed approach** of different tools, can cover various dimensions of social impact assessment that are of interest to a range of stakeholders – policymakers, social investors and social innovators, and (e.g.) venture philanthropists and other kind of social investors. These instruments also allow for different ways of approaching measurement in terms of **micro** (individual-social entrepreneur/social innovator), **meso** (organisation/Corporation), or **macro** (society/scalability of the social innovation for policy implementation) levels. It is however accepted that most of them belong to the micro-meso levels.

In total, three case studies were conducted to test the conceptual framework. Two case studies were performed in the Netherlands, in which specific social innovations of the Dutch Labour & Education Fund of Dutch Communes (LEFC) and the municipality of Utrecht (related to Social Impact Factory) were assessed. Another case study assessed Inspiring Scotland, which can be viewed as an infrastructural entity that seeks to boost social innovation by providing funding and support. For each step of the conceptual framework, the case study of the municipality of Utrecht was chosen to serve as an illustration of how our conceptual framework can be used. The entire case descriptions can be found in Appendix A. As social innovations are highly context depended, it is encouraged that the tools, that are suggested in chapter 2, are used in the ways that best suit a case at hand. A mixed-method approach enables to take the best and most fitting parts from different tools while avoiding the less beneficial tasks and steps.

The toolbox ends with chapter 3, in which the lessons learned of this project are described. This chapter contains as well the lessons learned when of applying our framework to case studies, as well the use of tools which were applied. Feedback from the case companies were also integrated in the lessons learned.

2 TOOLS FOR IMPROVING EX-ANTE IMPACT ASSESSMENTS

2.1 Introduction

In this work package (WP 7), we have made separate assessments of existing approaches and tools for impact assessment. As clarified in our previous report, in the study of Maas and Liket (2011) and the deliverable D5.1, a lot of tools and methods for conducting impact assessments already exist. We do not need to «reinvent the wheel», but need to gather such insights and approaches into the conceptual model developed in D7.1. Our work is therefore more an integration and classification of existing tooling. We see this tooling-report as using parts of existing tools to clarify and expand what is meant to be collected in the conceptual framework.

The report by Maas and Liket (2011) discusses thirty impact assessment tools. From this set, we have selected those instruments that provide a practical illustration of which activities can be employed in the different steps. We have added two additional instruments that add extra information to our conceptual framework: RESINDEX as an instrument to help in the goal formulation of social innovations and the SKANDIA-tool as an all-encompassing instrument with useful parts for our conceptual framework. The Skandia Model[1] has recently provided a practical tool for social investors to evaluate the benefits achievable from preventive social measures concerning individuals at risk of exclusion. Hence, it appears to be a highly relevant tool for the purpose of developing an ex-ante impact assessment of social innovations targeting vulnerable groups in the society. The approach that Skandia Model follows is exceptionally wide and deep; one could even say that other approaches are covered by different Skandia's parts. However, even though it is interesting to estimate the expected social impact as accurately as possible, in many cases and for most social innovations, there is not enough time and/or money resources to enact the full model. Therefore, only the most relevant parts from the Skandia tool are suggested in this report as a good option for different steps. These instruments have been selected after considering six significant approaches important to analysing social impact:

[1] The model is named so because it has been developed by researchers cooperating with Swedish insurance company Skandia.

1. Social and economic value and the combination of both through blended socio- economic value: here we consider the REDF approach to **Social Return on Investment (SROI)** focused on generating impact by using social and economic value. The socio-economic value of the social innovation/social project is calculated through the project's net benefits to the investment required to generate those benefits over a period of time (Emerson, 2009:11). This approach is related to a micro-level of measurement as it is focused mostly on the social innovators[2];

2. The **Venture Philanthropy (VP)** approach which combines venture capital and grants, through the analysis of different dimensions which include: the organisations' engagement; its building capacity; tailored financing; non-financial support; involvement of networks; multi-year support, and performance measurement (EVPA, 2013). In this approach the value of the organisations' potential learning capacities, the engagement of stakeholders, or the social purpose of the addressed problem have great importance. We will mention some of the tools that could be used to consider these factors focusing on the role of stakeholders and the potential learning capacities of organisations to develop social innovation. This approach to the measurement of impact is mainly useful for Venture Philanthropy organisations (VPOs), Social Purpose organisations (SPOs) and Social Investors (SI);

3. The **Socio-Economic Assessment Toolbox (SEAT)** was launched in 2003 and developed by Anglo American mining company. Its third version (SEAT) defines a set of tools to profile local company operations and the engagement with stakeholders, assess and prioritise impact and issues (social and economic), improve social performance management, deliver socio-economic benefits, develop a social management plan, and report feedback to stakeholders. The tool is mainly directed to companies and corporations, and therefore focused on a meso-macro (level) approach to impact measurement (Anglo American, 2012);

4. The **Measurement Impact Framework (MIF)**. The use of this tool defined by the World Business Council on Sustainable Development (WBCSD, 2008) allows businesses and corporations to define the scope of their assessments, identify socio-economic business indicators for impact measurement, assess their results, and set their priorities in the governance and management process of their companies, especially the relations and communication with stakeholders. It focuses on metrics considering: input, activity and output; outcomes and impact; and flexibility to be adapted for other purposes. This tool is usually oriented towards a meso (corporation), macro (society) approach to social and economic impact measurement;

5. The **Regional Social Innovation Index (RESINDEX)** is based on the measurement of the potential capacities of organisations to develop social innovations. Its testing has passed its pilot phase and needs further development. The approach of this index would stay on the meso- organisational level.

6. From the **Skandia Model**, a variety of tools have been selected, which fit with our conceptual framework. However, the model is mainly used as an example of social cost-benefit analysis, based predominantly upon the prevention of social exclusion. Social cost-benefit analysis (SCBA) models are some of the most relevant methods for socio-economic impact assessment where a long-term perspective is necessary, or for assessing social innovations that span several years. This is due to the fact that many social innovations

[2] In the UK, NEF has also been applied in large scale projects.

deliver outputs which transform into desired outcomes over medium to long-term perspective. This aspect is covered adequately by, Skandia Model, – and SCBA models in general – as it takes a long-term perspective in calculating the costs and benefits related to the assessed social investment. Due to their very nature, SCBA-models are best suited for the macro level and thereby macro policy making.

The following figure shows the parts of these instruments that will be clarified in this toolbox.

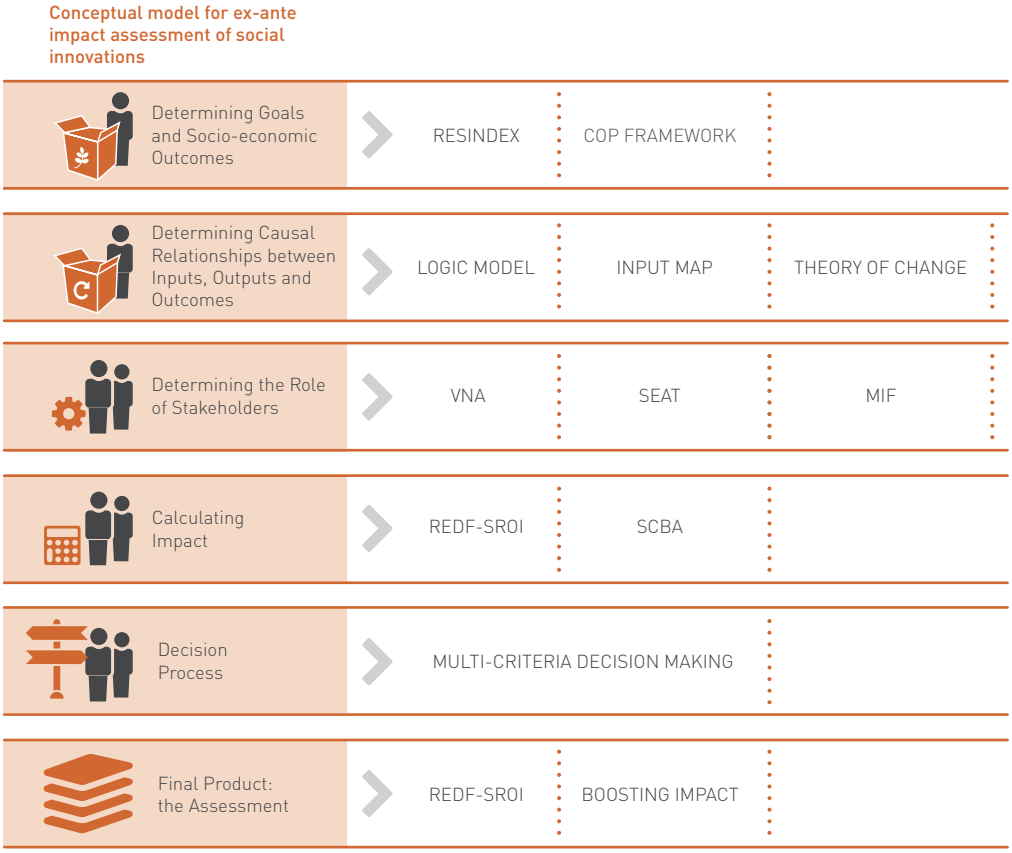


Figure 2. Proposed tools to use in the conceptual framework

Background of the City of Utrecht and «I-DID Slow Fashion Movement» project

The department of Work and Income of the city of Utrecht is responsible for the organisation of the social security and the reintegration of persons in need of social assistance into the labour market. Besides the regular reintegration programme, the department has started a number of pilots with social entrepreneurs in 2014.

The purpose of these pilots is to develop new effective and efficient methods for reintegration. One of these pilots is «I-DID Slow Fashion Movement» (I-DID). At this moment, next to the pilots, the City is also participating into the Social Impact Factory, a major initiative to launch social innovations in the City, in cooperation with consultancies and companies.

I-DID is a social enterprise which produces textile products from residual material. It sells textile products (e.g., bags) directly to consumers or via partners. These partners, e.g., Sissy Boy, often provide I-DID with residual materials as well. To make these products I-DID employs people for whom it is more difficult to enter the labour market. In this context it works together with Utrecht's department of Work and Income. The employees of I-DID receive a vocational training one day per week mainly to develop their sewing skills, and they work three days per week on textile products. The program takes half of a year and, when successfully completed, the participants receive an official diploma (for being a seamstress). Participants acquire general work experience so they could easier find a regular job. I-DID itself hires some of the participants after the training, because this social enterprise intends to grow. The municipality selects potential participants, funds the training and continues to pay the social security to the participants of the project (I-DID does not pay salaries).

The city invests in I-DID and has a number of goals: experiment with new methods for reintegrating people who are on social security, reintegrate them into the labour market, support I-DID to make the social enterprise more independent and sustainable (so it can employ more vulnerable groups) and support social entrepreneurs in general.

The target group in this project are persons who are on social security and, more specifically, people who are estimated to have a reduced productivity (to 30%-80%)[1]. Because it was difficult to find enough participants, other persons (who have an estimated productivity of 80%-100%[1]) participated in the I-DID project as well.

The project was evaluated at the end of 2015. In 2016 the contract was renewed, but when this case study was conducted the results of 2016 were not measurable yet. The future of the cooperation between I-DID and the city is unclear. The pilot phase ends by the end of 2016 and the city wants I-DID to become more independent from subsidies. Therefore, a business case will be developed in 2016. If the results of 2016 are promising the city wants to continue the cooperation (however, that has to be in some other form). One possibility is to create a social impact bond. The other possibility is that the municipality continues to invest in training or continues to pay the social security; nonetheless, the costs for the municipality has to decrease or the revenues of the investments have to increase. **Therefore, in this case study an ex-ante impact assessment (IA) is made with the aim to inspect the possible routes and their outcomes. The results were presented to the city.**

2.2 Tools for Step 1 - Determining Goals and Socio-Economic Outcomes

Step 1 in the conceptual model is determining goals and socio-economic outcomes of the social innovation. Goals are often described in the form of outputs or *intended* outcomes. As defined in 7.1, outputs are tangible results in the short term that are directly linked to the social innovation. Outcomes are medium or long term impacts, actual changes in society, which are more difficult to link directly to the social innovation. A general list of goals and intended outcomes is not possible, but may be deducted from what policy makers find important, the societal challenges that are being faced and (financial) possibilities to deal with those challenges. Deductively, the following questions are important for policy makers, social investors and social innovators:

- are there social vulnerable groups that are not addressed through existing social policies?;
- What problems do these groups face?;
- How can we address these problems?
- What would be more desirable futures for these groups?

These kind of questions depend largely on the context. See for example the eight societal goals of the Obama administration (Grace et al., 2015), which are quite different for any other governments.

As mentioned in the part II of SIMPACT's D4.1, we can recognize empowerment and capacity building as core objectives of social innovations addressing vulnerable and marginalized groups in society, and «in SIMPACT's understanding, empowerment and participation are both the means and outcome of SI» (D4.1, p. 4). Nevertheless, this outcome can be realised in different forms when we consider the three main thematic social policy areas targeted in SIMPACT, i.e. unemployment, immigration, and demographic change.

At the start of an ex ante impact assessment, goals of a social innovation are already formulated. These goals can be based on pre-existing policy research, political agreements, market research, corporate social responsibility policies. General tools, like scenario-analyses, SWOT analysis, or tools for problem analysing, can help to define the goals of policymakers and social innovators, but are beyond the scope of SIMPACT. The purpose of the first step is to get a very clear view on the outputs and intended outcomes of the social innovation and to make sure every actor which is involved in this stage has the same expectations. To formulate clear goals and outcomes, some notions of types of outcomes and guidelines to keep in mind when formulating goals are useful

and these will be described in the first part of this section. In the second part of this section the RESINDIX tool is presented as a tool that helps to assess the potential capacities in social innovation organisations. The strengths and weaknesses of such organisations determine to the goals that are achievable.

2.2.1 Structuring the Outcomes

To get a clear view on the goals and outcomes that are pursued, it is useful to categorize them. Using different categorizations forces the policymaker or social innovator to look at them from different perspectives and therefore a more complete view is created. As presented in D7.1, there are at least three useful categorizations regarding the intended outcomes: tangible or intangible, the level on which the outcomes may occur (macro, meso, micro) and if the intended outcomes are economic, social or political.

TANGIBLE & INTANGIBLE

In D7.1 we emphasized the importance of using a mixed-methods approach for the ex-ante assessment of social innovation. Implementation of a mixed-method approach entails that, in defining the outcomes for social innovations, both of the quantifiable (tangible/monetized) and non-quantifiable (intangible/non-monetized) outcomes can - and should - be taken into account. This is important because not all social outcomes can be quantified (see D7.1) In addition, as discussed in the D7.1 report, the possibility of *value conversion* means that, usually in the long run, some of the intangible (non-quantifiable) outcomes resulting from social innovations can lead to tangible (quantifiable) outcomes, and vice versa. This fact shall also be taken into account when defining socio-economic outcomes of social innovations, not to miss some of the valuable results due to the transformations they undergo along the impact chain.

ECONOMIC, SOCIAL & POLITICAL

The COP framework of SIMPACT (Components, Objectives, Principles) identifies three types of objectives for social innovations: economic objectives, social objectives, and political objectives. It is useful to make this distinction because a social innovation needs to find the right balance between delivering economic and social value, while political objectives can be important additional objectives for certain social innovations. It should be mentioned, however, that in practice, all or any pair of these three objectives can well be intertwined when a social intervention is being considered.

In Table 1, a matrix is proposed with the three thematic social policy areas of SIMPACT being allocated with the three objectives for social innovations which have been envisaged within SIMPACT's COP framework.

Table 1. Social innovation objectives for at-risk-of-exclusion groups according to SIMPACT's COP framework

	POLITICAL OBJECTIVES	ECONOMIC OBJECTIVES	SOCIAL OBJECTIVES
Unemployment	Unburdening public budget, inclusion	Unburdening public budget*, economic growth	Participation, empowerment, social cohesion
Immigration	Inclusion	Unburdening public budget	Social cohesion
Demographic change	Welfare maximization	Unburdening public budget	Empowerment

* Within SIMPACT's COP framework, this objective is primarily categorized as a political objective. However, we consider it also an economic objective for the public sector to unburden its public budget through taking exclusion-preventive measures in order to optimize its resource allocation.

Objectives like inclusion and empowerment can also in the longer run transform to or contribute to achievement of economic objectives. This explains partly why a mixed-method approach is needed in the assessment of social innovations, as some of the societal (non-monetizable) achievements in the short run can transform into economic achievements in the long run, and hence, they shall ideally be included in the impact assessment. For instance, the *output* of a social innovation in the field of immigration can be higher language skills for the target group, which can transform (in the long-run) to higher rate of employment among the target group, counted as an *outcome* for that social innovation.

MACRO, MESO & MICRO

The matrix in Table 1 can provide a general categorization of pursued socio-economic outcomes from a «macro» level point of view (the society). However, on «micro» level (a social innovation or individuals) and on «meso» level (organisational level), a social innovation will also have an intended impact. As mentioned in D7.1, it is important to see the connection between the different levels as well. For example, for a social innovator it is crucial to have a clear view what role the innovation plays in the bigger context, not only for the actual societal impact, but also for the possibility to get support from stakeholders on a macro-level (e.g. from the national government).

After the goals and outcomes are determined, it is important to define concrete indicators and targets for the (tangible) outcomes (Table 2). However, before realistic targets can be set, understanding is needed about the relationship between the outcomes, outputs and the activities and inputs which are needed to accomplish the outcomes (step 2). Another step which is advised to take before defining indicators and setting targets is understanding the role of other stakeholders in context of the social innovation (step 3). In step 4, when the impact is calculated, these indicators and targets will be developed.

Goal setting in the City of Utrecht and «I-DID Slow Fashion Movement» project

In the case of I-DID and the investments of the City of Utrecht in the activities of the social entrepreneur, the goals of the City were based on political priorities on national and regional level. These political goals could be divided in social and economic objectives, but all goals could be labelled as political goals as well.

For the I-DID project it was more important to categorize the goals into tangible and intangible, because the monitoring of the project was an important aspect for the nearby future. Besides, the relationship of the meso- and micro-levels with the macro-level was of importance so the relevance for politicians could be emphasized.

Prior to the impact assessment, most macro-level outcomes were not made explicit by policymakers (E.g. in the contract with the social innovator), mostly because the impact of a single project like I-DID is limited on macro-level. By making all intended outcomes explicit, like the small impact on macro-level and outcomes that are affecting other policy fields, the value of the social innovation and possibilities for cooperation with other stakeholders (outside the policy field or on another governmental level) becomes more visible.

More importantly, in this case in the step of determining goals and outcomes, only a few objectives were operationalised into measurable indicators and outputs. In the evaluation of the first year of the I-DID project some indicators were used, but these were not used to define more concrete targets (outputs) for the following year.

Table 2. Tangible & intangible goals

	Tangible goals of the I0DID project	Intangible
Macro-level (regional economy)	• To reduce the unemployment level of Utrecht by means of private enterprises. • Stimulating regional economy through support of social innovators like IDID	• Supporting producers to use environmental friendly production
Meso-level (organisational level)	• Increasing the effectiveness and efficiency of the reintegration of persons on social support by the City of Utrecht • Support from City of Utrecht to IDID to become more professional and to survive as a start-up. Rising turnover for IDID through 'free unskilled labor' and funds from the training	• Improving the capacity of the municipality to cooperate with social entrepreneurs to reintegrate vulnerable groups
Micro-level (project)	• Reintegration of the participants on the labor market via IDID	• Improving Human and Social Capital of participants of I-DID (professional skills, social skills, self-efficacy)

2.2.2 RESINDEX: Measuring Potential Capacities in Organizations

The RESINDEX approach to the measurement of social innovation is based on the use of potential and realised absorptive organisational capacities when developing social innovations (Cohen & Levinthal, 1990; Cooke & Brown, 1999; Lane & Lubatkin, 1998; Szulanski, 1996; Zahra & George, 2002). It therefore conceives the measurement of social innovation from a meso-perspective (organisational level), offering a system of indicators which measures these capacities in four kinds of organisations: companies, non-profit organisations (NPO), universities and technological centres (Castro-Spila & Unceta, 2015; Unceta et al., 2016) (See Figure 3). The analysis of how these potential capacities can turn into realised capacities, throws some insight to the process of individual and collective learning inside organisations' aimed at addressing unfulfilled social demands and challenges in an innovative way. This tool can help policymakers or social investors to decide among multiple social innovations which could be supported, based on the potential capacities of the organization to acquire, assimilate, interpret and apply expert knowledge to create new social innovations, or improve the existent ones. These potential capacities differ between organizations. Some organizations have acquired and assimilated more potential capacities than others, to apply both internal and external knowledge to the social innovation process. In this sense, social innovators and social entrepreneurs can use this tool to understand and improve what aspects of their organization or the social innovation need to be tackled to increase the potential impact of their social innovations

The absorptive capacity perspective is useful to identify different types of capacities at an organisational level and provides a comprehensive framework of the constructive process where organisations start from the identification of a social problem (context, causes and effects), assimilating knowledge and learning about the issue at hand, and moving to the identification, design and exploitation of its possible solutions. According to Unceta et al., RESINDEX provides an «*analysis on how organizations develop social innovation (codify social practices)*,» suggesting *«a level of absorptive capacity of knowledge that acts on social problems as an epistemic-political intervention in which social demands (collective problems) and its possible solutions (social innovations) are formalized»* (Unceta et al., 2016:3). In this process we can identify four types of capacities:

a. Capacities to identify and assimilate knowledge (exploration);
b. Capacities to transform, exploit and disseminate knowledge (exploitation) (Murray et al., 2010);
c. Capacities to learn;
d. Capacities to implement a solution.

From an **ex-ante approach**, the interest in the measurement of these capacities would be focused on the *potential capacities* of an organisation to develop a social innovation; that is, the competencies of acquisition and assimilation of knowledge (exploration capacities)[3]. Whereas the *realised capacities* of an organisation would consider those competencies which are the product of a combination of resources to innovate, implement and diffuse combined knowledge about a social problem (see Figure 3) (Unceta et al., 2016:6).

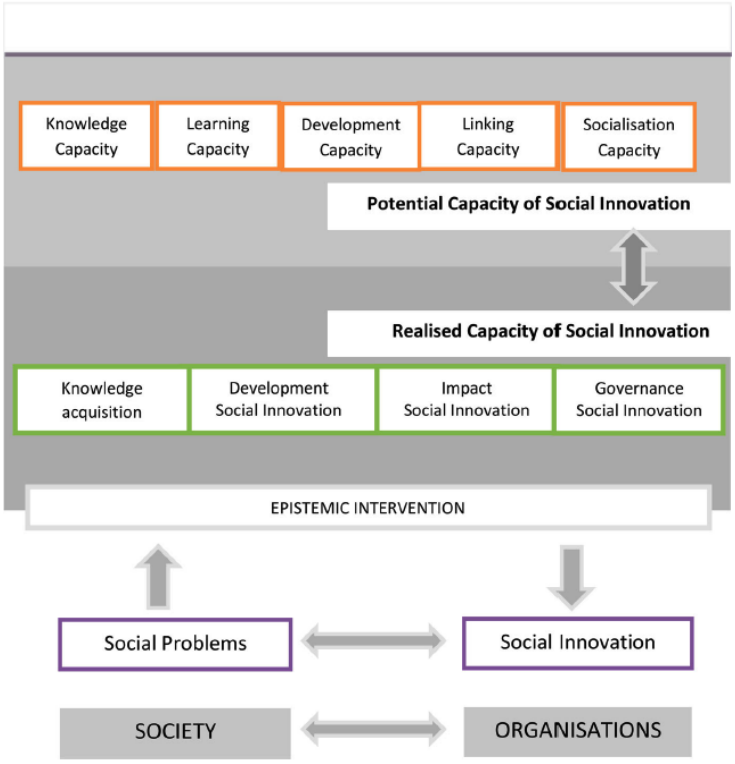


Figure 3. Absorptive capacity and social innovation at organisational level
(Source: Sinnergiak Social Innovation, 2013)

[3] A question may be why potential capacities of an organization to develop a SI are (only) the competencies of acquisition and assimilation of knowledge? They are not the only capacities that can help an organization to develop SI, but they are the ones measured in the RESINDEX-project and that can be applied from an ex-ante point of view. These potential capacities include: their capacity to acquire and assimilate knowledge (knowledge capacity); their capacities to learn; their capacities to develop SI through the transformation, exploitation and dissemination of this knowledge; and their socialisation capacities which include networking with other organizations developing other projects, cross-learning approaches to SI, etc. (See figure 3). From an organizational perspective, the potential capacity to acquire, assimilate and apply both internal and external knowledge is the most crucial one for the development of SI. Capacities between organizations differ, some organizations are more prepared than others, some have more experience than others, some have better networking and socialisation capacities than others., some have better human resources than others. All these are potential capacities that need to be valued and measured inside organizations, and can also help and investor or a policymaker decide on which organizations are more capable of creating more impact through the development of their social innovations.

The four types of realized capacities are derived from five kind of potential capacities. As a result, RESINDEX focuses on the measurement of five kinds of potential capacities that are key for the organization to develop social innovations:

a. knowledge capacities;
b. learning capacities;
c. development capacities;
d. socialisation capacities;
e. linking capacities (networking).

This model was tested through a pilot study using a social innovation survey applied to a sample of Basque regional organisations (Sinnergiak Social Innovation, 2013; Unceta et al., 2016). Although further empirical validation is needed and the internal statistical strength of the results need to be improved, this pilot study showed that among the potential capacities measured at the regional level, those with the highest impact on the organizations' capacity to develop social innovations, were the learning and socialisation capacities. Learning capacities apply to activities that are related to the internal training of Human Resources inside the org., such as lifelong training programs, improvement of internal competences, etc.. Socialisation capacities are referred to the existence of permanent internal spaces inside the org. to share and exchange info., knowledge, generate new ideas, etc. (creative socialisation spaces). These activities can be materialized through agile methodologies to share ideas inside the org., interactive sessions, cross-learning activities between departments of the same org., or shared knowledge and common grounds found in relation to other projects developed by the org. or in collaboration with other stakeholders. The rest of potential capacities – development, knowledge and linking – showed a medium level of impact (Sinnergiak Social Innovation, 2013).

2.3 Tools for Step 2 - Determining Causal Relationships between Inputs, Outputs and Outcomes

Step 2 is about determining causation between inputs, outputs and outcomes. Once the goals are clear, it is necessary to relate the outcomes to the inputs. Several methods are possible such as for example the 'Impact Value Chain' (Clark et al., 2004), Logic Model (Rizzo et al., 2015) or a Theory of Change (Clark & Taplin, 2012). In D7.1, we have spent attention to the Impact Value Chain to evaluate causation. In this section, we mainly look at the use of the Logic Model, Theory of Change, and the Input Map, which is a useful tool from the Skandia Model to inform the Logic Model and Theory of Change.

2.3.1 Logic Model

Logic Model (also called *Logical Framework*) is one of the best known and at the same time a simple tool for the purpose of identification of causal relationships in a process as explained above. The purpose of a Logic Model is to check the relationships between inputs, activities, outputs and outcomes backwards, i.e. starting with the formulation of the intended outcomes. Logic Model thereby helps to ensure that the planned activities will achieve the outcomes desired. Hence, Logic Model is well suited to follow the step 1 in our model, where the desired goals and outcomes are defined. In fact, the objectives identified in step 1 (previous step) can inform the outcomes in the logic model, or be directly chosen as the intended outcomes for the logic model.

Figure 4. Logic Model

2.3.2 Theory of Change

In D7.1, we already briefly touched upon Theory of Change. Similar to the Logic Model, constructing a Theory of Change begins with defining the outcomes and thereby follows logically after completing step 1 of the framework. According to Clark and colleagues (Taplin & Clark, 2012; Taplin et al., 2013), pathways of change are constructed by working backwards (in time) toward intermediate outcomes and outputs. The desired outcome is in Theory of Change referred to as impact. When Theory of Change is used for the development of a social innovation, interventions can only be considered to reach the desired outcomes or goals in the most optimal manner when the earliest unit of change has been identified and the pathway is complete. Using Theory of Change for evaluation purposes, which is more in line with our aim of conducting an ex-ante impact assessment, helps in clearly defining purposes, strategies and results. Information that can be used to improve the design of the intervention and the evaluation protocol. Not unimportantly, by mapping the pathways of change helps the social innovation to take credit for the by theory predicted outcomes.

The Theory of Change is usually constructed using a participatory approach (i.e. together with stakeholders). The results should consist of outcomes and pathways, indicators and a narrative containing a summary of the overall logic, highlight major assumptions and a compelling presentation how and why the initiative should work (Taplin et al., 2013). Outcomes are to be presented as a change, e.g. to improve general

wellbeing. Indicators are formulated to make the outcomes measurable, e.g. to improve wellbeing of people in social welfare in region Y by 10%. In the narrative, the pathway of change is elaborated on, conveying important elements of the theory and providing a holistic view on the theory as a whole. The level of detail of the Theory of Change may depend on the aim of the exercise; general to communicate the major mechanisms or detailed to provide in-depth insights in the theory.

Model for improvement in City of Utrecht and «I-DID Slow Fashion Movement» project

In our ex-ante impact assessment framework, we mainly used Logic Model and Theory of Change to construct a pathway of change and activities. Formulating indicators, formally a part of Theory of Change, is performed in Step 4 of our framework (see section 2.5).

The City of Utrecht has never developed an explicit Theory of Change for their actions. The current simplified map shows the main thoughts that are behind the investment, confirmed in a discussion with the city.

The model shows the main objectives on the left side and the main actions at the right (supporting social entrepreneurs in general and I-DID more specific and offering working experience). The sub-goals or more specific actions are deducted from the objectives and, with a backward procedure, connected to the main actions. This model helps the policymakers to see what has to be put in the contract with I-DID (i.e. what to require and expect) and to monitor the progress.

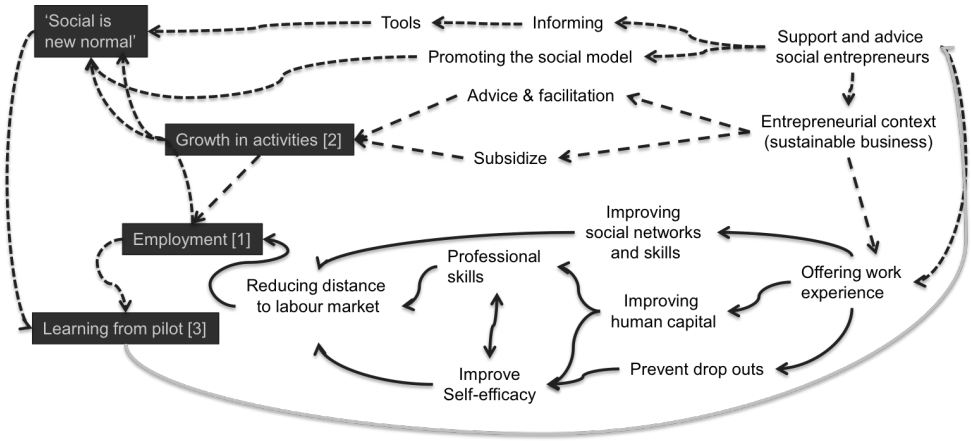


Figure 5. Model for improvement

2.3.3 Input Map (Skandia Model)

In order to identify the different steps of the Logic Model's and the change pathways of the Theory of Change necessary for addressing the situation of a target group, we may get help from the Skandia Model. Implementation of the Skandia Model starts with identification of actions needed for addressing the needs of vulnerable target groups, usually by drawing a so called *input map*. This input map helps to better identify the whole network of social entities surrounding the target individual. Each social entity in fact will be affected by any change in the exclusion situation of the target individual due to their type of interrelationships with him/her. This is due to the fact that the input map clarifies all sorts of adverse consequences from exclusion of the target individual (see Figure 6 for an example).

For instance, in case of a drug abuser, the interventions shall address such aspects of the drug abuser's life as for instance:

- inability to take care of their own children;
- eviction from their homes;
- getting arrested for a burglary;
- getting admitted for detoxification.

By drawing the Input Map, interrelations, activities and resources become clear which may help to derive outputs from outcomes (e.g. to measure the negative effects of drug abuse by numbers on shoplifting) or to identify activities to reach the intended outcomes (e.g. to diminish the negative effects of drug abuse by getting drug abusers into regular employment).

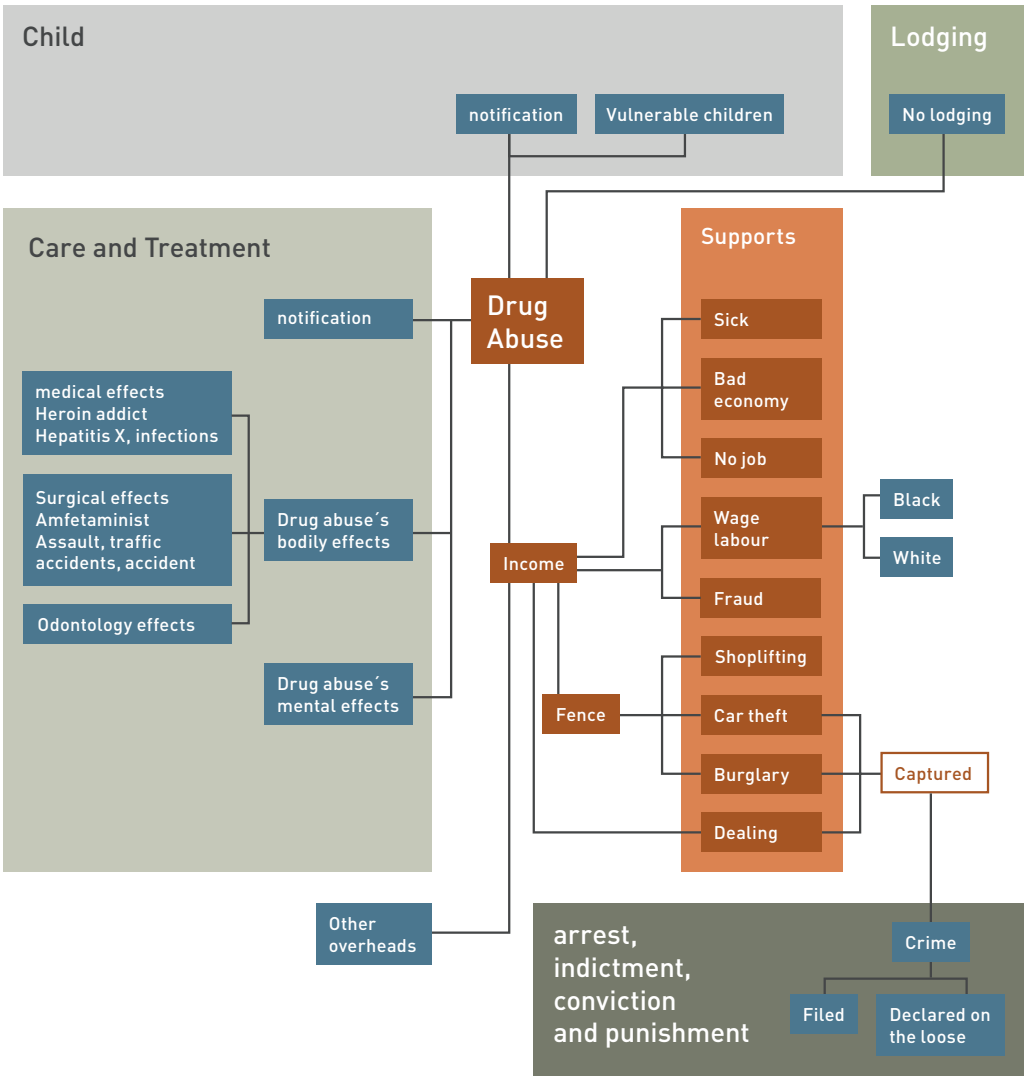


Figure 6. Input Map example for drug abuser

(Source: Nilsson & Wadeskog, 2015: own summarization and translation

Therefore, we consider the *input map* of the Skandia Model to be useful to this step in our ex-ante impact assessment framework, as it will help tremendously to identify the *activities* and their respective necessary resources. Table 3 shows an excerpt of the input list that results from the input map above. Note that only three of the five main areas of intervention depicted in the Figure 6 have been included in the table, and the colours of the rows help to find the relevant areas in the picture. The rows show the activities which are a sub-category of the necessary measures (i.e. blue boxes in the Figure 6). The second column specifies in the input chain where precisely this action belongs. The two columns then show the *actor* and the unit responsible. Then comes the name of the intervention (here called activity) and its timing should be evaluated and

quantified. The last column tells whether the action in question constitutes a real or a financial cost (1 = Real, 0 = Financial).

The concept of real costs accounts for real resource allocations according to costs of various options. These include;

- Real intervention costs: costs of different social interventions in areas such as health, justice, social services and school, that is caused by a person's living in exclusion.
- Production loss: costs as a result of people not participating in the labour market.

Financial expenses are in fact transfers, i.e. purchasing power transfer from one person to another. These include;

- Maintenance support costs: costs to replace wages for people outside the labour market (e.g. livelihood support).
- Wage subsidy: costs to compensate for lower productivity of vulnerable groups.

Table 3. Input List example (Source Nilsson and Wadeskog, 2013; own translation)

Lop Nr	Chain	Actor	Unit	Activity (intervention)	Type	Real
1	Livelihood support	Employment agency	Employment agency	Investigation	Occasionally	1
2	Livelihood support	Employment agency	Employment agency	Unemployment insurance	Month	0
3	Livelihood support	Employment agency	Employment agency	Activity guarantee	Month	0
4	Livelihood support	Employment agency	Employment agency	OSA	Month	0
5	Livelihood support	Employment agency	Employment agency	Wage subsidies 75%	Month	0
6	Livelihood support	Employment agency	Employment agency	Wage subsidies 50%	Month	0
7	Livelihood support	Employment agency	Employment agency	Wage subsidies 25%	Month	0
8	Livelihood support	Municipality	Social Services	Investigation municipality	Occasionally	1
9	Livelihood support	Municipality	Social Services	Financial aid	Month	0

10	Livelihood support	Insurance agency	Insurance agency	investigation FK	Occasionally	1
11	Livelihood support	Insurance agency	Insurance agency	Sickness benefit	Month	0
12	Livelihood support	Insurance agency	Insurance agency	Rehab compensation	Month	0
13	Livelihood support	Insurance agency	Insurance agency	Sickness benefit	Month	0
16	Livelihood support	Company	Company	Monthly salary white esklönebidr etc	Month	1
17	Livelihood support	Miscellaneous	Ext employer	Monthly salary white exlönebidr etc	Month	1
18	Livelihood support	Miscellaneous	Employer	Monthly salary black	Month	1
19	Livelihood support	Miscellaneous	public revenues	LKP	Month	0
20	Livelihood support	Miscellaneous	public revenues	Income tax	Month	0
21	Livelihood support	Miscellaneous	public revenues	VAT	Month	0

Lop Nr	Chain	Actor	Unit	Activity (intervention)	Type	Real
44	Penalty	Judiciary	Probation	Safety institute	Days	1
45	Penalty	Judiciary	Probation	Closed prison	Days	1
46	Penalty	Judiciary	Probation	Open prison	Days	1
47	Penalty	Judiciary	Probation	Probation	Days	1
48	Penalty	Judiciary	Probation	Intensive supervision	Days	1
49	Penalty	Judiciary	Probation	Community service	Days	1
50	Penalty	Judiciary	Probation	Contract treatment	Days	1
51	Penalty	Judiciary	Probation	Probation	Days	1

52	Penalty	Judiciary	Probation	Monitoring	Days	1
53	Crime	Judiciary	Police	Theft/shoplifting	Occasionally	1

Lop Nr	Chain	Actor	Unit	Activity (intervention)	Type	Real
62	Treatment	Municipality	Social Services	LVM-hem	Days	1
63	Treatment	Municipality	Social Services	Treatment home	Days	1
64	Treatment	Municipality	Social Services	Contact person	Days	1
65	Treatment	Municipality	Social Services	Boarder	Days	1
66	Treatment	Municipality	Social Services	Accommodation	Days	1
67	Treatment	Municipality	Social Services	Outpatient	Days	1
68	Treatment	County council	Dependent care	Depending reception	Occasionally	1
69	Somatic care	County council	Primary care	Doctor visits medical center	Occasionally	1
70	Somatic care	County council	Emergency care	Medical care days	A day	1
71	Somatic care	County council	Primary care	Therapeutic Drug	Month	1
72	Somatic care	County council	Emergency care	Emergency room	Occasionally	1
73	Somatic care	County council	Emergency care	Minor surgery	Occasionally	1
74	Somatic care	County council	Emergency care	Major surgery	Occasionally	1
75	Psychiatry & dependent	County council	Psychiatry	Psych emergency	Occasionally	1
76	Psychiatry & dependent	County council	Psychiatry	Psych outpatient	Days	1
77	Psychiatry & dependent	County council	Psychiatry	Psychiatric inpatient	Days	1

Based on the components of the Input List, it is clear that the use of input map will also be helpful in identifying the potentially involved stakeholders in the social initiative (social innovation), which is in fact the next step in our ex-ante impact assessment framework (see Section 2.4).

The inputs identification at this stage will help in estimation of the required resources to take the preventive actions. This coincides with the second step in implementation of the Skandia Model, which is *evaluating* or measuring the costs per each type unit of actions to be undertaken, for example, visits to doctors or lawyer consultation hours. It must be noted that identifying and achieving the objectives is closely interrelated with the principles that support the move towards the goals. Within the COP framework of SIMPACT, *P* refers to the principles, which include the issues of *efficiency* and *governance*. The issue of efficiency deals with the question of *how can the resources available to social innovators be used in a better way*? This issue is closely related to WP4 of SIMPACT, which dealt with building stronger concepts and business models for SI.

However, it should be clarified that determining inputs within the framework of the Logic Model and the Theory of Change also refers to the inputs required for the undertaking of the preventive actions, and hence calculations related to the counterfactual scenario in which the needed resources in case of life-time exclusion are measured, would need to be complemented with identification of the needed resources in case of preventive intervention.

2.4 Tools for Step 3 - Determining the Role of Stakeholders

2.4.1 Introduction

The ex-ante impact assessment procedure Step 3 is about determining the role of stakeholders. For the assessment it should be clear who will play a role in the assessment process, when and how. As described in Deliverable 7.1 (Dhondt et al., 2016), the role of the stakeholders will depend on the nature and area of the social innovation. The main role of the stakeholders is to find an agreement with the assessor (creating a common ground) and to support the assessor with decisions in the process and with selecting criteria, if needed. Besides analysing the stakeholders in the context of the social innovation for determining their role in the impact assessment, it is also crucial for developing the social innovation itself. For example, stakeholder analysis can help to select partners for the implementation phase, or after the activities and goals of the stakeholders are determined, it might be necessary to adapt the goals of the social innovation to create synergy. In addition, stakeholder analysis can help with finding possible collaborators. E.g., Skandia Model also emphasizes the role of collaboration, because «[…] a model is needed in which the various parties can act in such a way that the winners can compensate the losers. Otherwise, there is no rational economic reason for the losers to make this social investment». (Nilsson and Wadeskog, 2008). This characteristic of Skandia Model is also quite relevant to the case of social innovations, because they are normally a result of multi-stakeholder partnerships where the collaboration lets the various types of deficits in resources, knowledge and management

be covered and compensated through a synergistic collaboration and «hyper-efficiency» (see SIMPACT's D3.2, page 6).

From the perspective of the stakeholders, social innovations can be considered open, dispersed and goals are not always very precisely formulated. This condition of social innovations highlights the significance of their role, being necessary to reflect the different perspectives present in the social and economic value chain of social innovation. Stakeholders also play an important role reducing the uncertainty of the innovative process, sharing different perspectives and being present throughout the different stages of the social innovation, and its expected social impact. Three important dynamics can be observed from this process:

- The first one refers to social innovations as open systems. The notion of «open social innovation» (Chesbrough & Di Minin, 2014) reflects the internal and external structure of relations addressed in the business models of those organisations with a social purpose. Social innovation as an open process, having a strong network of stakeholders allows for a better allocation of resources and solutions, as well as detection of possible challenges and gaps present in this process;
- The second dynamic takes account of social innovations as distributive systems of innovation (Von Hippel, 2007). Consequently, social innovations are not dependant on a privileged social agent responsible for their design and development, social innovations also need to take into account the target group and the beneficiaries of its activities as a potential participant («user») of the developed social service, method or product. Thus, the presence and active involvement of a solid network of stakeholders is equally important to obtain a successful result;
- The third and final dynamic refers to social innovations as uncertain systems (Refsgaard et al., 2007). The inclusion of stakeholders in the social innovation process results in a more precise formulation of goals, potential outcomes and impact on the problems they look to solve.

These three dynamics reflect the importance of stakeholders, as a resource that contributes to the diversity, complexity and creativity of innovative social problem solving (Knight et al., 1999), due to the fact that it implies a cognitive distance as a source of innovation, and simultaneously represents a challenge for cognitive convergence that allows the diffusion of shared knowledge and the creation of common codes. This paradox between the existent divergence and convergence of the stakeholders' interaction with one another is a good predictor of potential successful social innovations. Thus, the rate of diversity and implication of stakeholders explain an important part of the production of social innovations.

As a result, stakeholder analysis becomes an important part of social innovation impact assessment because we need to understand their expectations, their contribution, their

potential impact they will have on the development of the social innovation, as well as their cooperation in the measurement process (EVPA, 2013).

In the following sections, tools and approaches towards stakeholders' identification and mapping will be presented in more details. Two of those (Venture Philanthropy Approach and the Socio-Economic Assessment Toolbox) are general impact assessment approaches, of which elements are useful for determining stakeholder roles. We end with the description of the Value Network analysis, which is specifically meant for mapping stakeholders and their interrelations.

2.4.2 Socio-Economic Assessment Toolbox (SEAT)

The SEAT toolbox was first designed by the Anglo American mining company in 2003 to measure and manage the local impact of site level operations, with a focus on the social responsibility of their company (social, cultural, environmental, etc.). This toolbox has been implemented by Anglo American 80 times in different countries over a three year period (Anglo American, 2012). The potential users of the tool involve local stakeholders, home and host country governments and NGOs. The tool provides input and output information (outcomes and impact) through internal and external data collection based on a series of surveys which focus on: the profiling of local areas through demographics, social and wellbeing indicators, and their socio-political context; stakeholder communication and needs (relations, channels of engagement); and evaluation of potential risks (financial, occupational, environmental, social/community based, etc.) (WBCSD, 2008).

The framework is free and publicly available and requires 4-6 months to be implemented in its full version (use of all the tools and surveys). The involvement of third party support (social innovator, the organisation, stakeholders) is necessary to complete the full collection of surveys on stakeholder communication and relations, economic impact, context description, and socio-economic benefits. Although the toolbox is focused on the measurement of regular businesses social responsibility and impact, it offers some input on a series of qualitative approaches to measurement affecting the following areas, of which c and d are most relevant for the stakeholders' roles determination:

a. Partner aims and objectives for social development and impact mitigation;

b. Planning and development of partnership action, mutual aims and objectives;

c. Partnership and stakeholder communication: roles, financial requirements, timetable implementation, mapping and monitoring activities, reporting to stakeholders, etc.;

d. Determine social investments: social inclusion through job creation, poverty reduction, educational provision, etc.

Even though SEAT is designed as a full impact assessment method, a selection of tools and surveys in this toolbox can be helpful for the stakeholders' evaluation, e. g., *Stakeholder Engagement Plan*. This tool provides suggestions about levels of stakeholder engagement (see Table 4), their mapping and categorisation, as well as ways of how to communicate and inform them during the impact assessment process. The level of stakeholder engagement depends on the importance of their roles regarding in the implementation of the social innovation.

Connected to the measurement of the role of the stakeholders, the use of the Socio-Economic Assessment Toolbox is a helpful source to understand the importance of the stakeholders in the socio-economic impact of their business. Policy makers, public organisations, social investors, the civil society, and other actors have developed an interest on how socially oriented businesses engage with stakeholders, how they communicate with them, what the potential of future business activities is, and what can be measured of their real socio-economic impact and outcomes.

Table 4. Levels of stakeholder involvement
(Source: Social-Economic Assessment Toolbox, Version 3, 2010)

TYPE	OBJECTIVE	DIRECTION
Inform	To provide balanced and objective information to improve understanding of the issues, alternatives and/or solutions	ONE WAY
Consult	To obtain feedback from stakeholders on issues, alternatives and/or decisions	TWO WAY
Involve	To work directly with stakeholders throughout the process to ensure that issues and concerns are consistently understood and considered	
Collaborate	To partner with stakeholders in each aspect of a decisionmaking process	
Empower	To place final decisionmaking in the hands of the stakeholders	

2.4.3 The Venture Philanthropy Approach

The Venture Philanthropy Approach (VPA) pays much attention towards the issue of stakeholders' role. This approach emerged in 1997 in a Harvard Business School paper, and has developed into an important methodology with the aim of measuring effectiveness, defining success for non-profit organisations, and further scaling of their activities (Grossman et al., 2013:2).

In this context, as venture philanthropy organisations, social investors have also focused on the importance of the variety, characteristics and involvement of the different stakeholders through the development of activities and different initiatives of social organisations, non-profits, and social innovators. Stakeholders are involved in different stages (inputs, process, impacts, outcomes) of socially oriented projects and innovations, being their mapping and evaluation crucial for the social impact assessment of their activities.

Evaluation and social impact assessment methods have to include all relevant stakeholders, being selective and capable of classifying their main interests in the assessment process, building on the different contexts that have to be considered during the whole development of their aims and outcomes. Following Spaapen and Van Drooge, stakeholders would include all those involved in the process of gaining social impact, from researchers, to public organisations, social investors, and the general public (Spaapen & Drooge, 2011:211-213).

The European Venture Philanthropy Association (EVPA) in their 2013 Report identifies three important steps in stakeholder analysis:

1. Stakeholder identification which includes stakeholder mapping, stakeholder selection, and understanding stakeholder general expectations through the classification of different types of stakeholders exposed in the Table 5. The role of stakeholders may depend on the classification. A direct contributor will also most likely have a more prominent role, whereas indirect contributor may only be consulted;
2. Stakeholder selection in relation to the scope of impact measurement and eventual reporting. This could be donors, investors, consultants, staff, volunteers, etc.;
3. Identifying stakeholder expectations.

Table 5. Types of stakeholders (Source: EVPA, 2013)

	Direct	Indirect
Contributor	Direct contributor e.g. Staff at SPO	Indirect contributor e.g. family of ex-offender
Beneficiary	Direct (positive) beneficiary e.g. ex-offender who is the focus of SPO	Indirect (negative) beneficiary e.g. those people who do not receive job offers due to the ex-offender being employed

Following the 3 aforementioned steps that are suggested by the VPA would give a good start for the further stakeholder analysis.

2.4.4 Measuring Impact Framework

The Measurement Impact Framework (MIF) was developed by the World Business Council on Sustainable Development (WBCSD) from 2006 on, and as described by this Council, it was developed to *«help companies understand their contribution to development and use this understanding to inform on their operational and long-term investment decisions and have more improved conversations with stakeholders»* (WBCSD, 2008: 7). It is therefore designed for «company decision makers on a site or product line and/or at a country level» covering the meso (corporations) and macro (country) levels of impact measurement (WBCSD, 2008).

The Measuring Impact Framework (IFC, 2008) is quite conscious of the complications of engaging stakeholders during the selection of social impact goals and estimating possible uncertainty, risks and solutions. In the MIF four-step methodology (see Figure 7) the stakeholder engagement is at the core. For each step, the methodology describes the possible role of stakeholders. The general approach proposed in the MIF is that the assessors should first define their own goals, then the direct and indirect impacts, the level of engagement of stakeholders and finally, only at the end of the process, the management response to the assessment. Only when assessors have goals and measures firmly grounded at the beginning, a discussion with stakeholders can be fruitful. Clear goals and measures are needed to guide the stakeholder discussion, thereby preventing discussion drifting towards dominant stakeholders. Stakeholders have the role to help the assessors with their own viewpoints and not so much be at the core of the assessment itself.

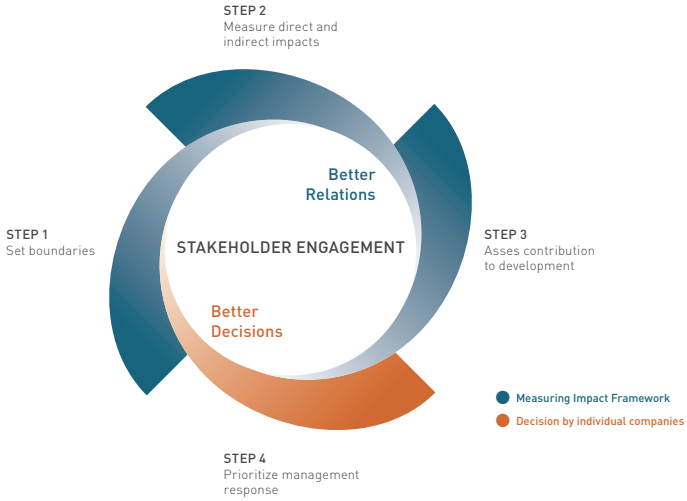


Figure 7. Four-step methodology

(Source: World Business Council on Sustainable Development, 2008)

Short descriptions of the four steps in the methodology (WBCSD, 2008:7-8):

1. Set Boundaries (defining business objectives): identify objectives for assessment, define the geographic area where it will be applied, development of information on the context, selection of business activities to be assessed;
2. Measure direct and indirect impacts: identification of sources of impact for each business activity, relevant indicators for direct and indirect impact, and measurement of these indicators;
3. Assess business contribution to development: determining different levels of stakeholder engagement and prioritization of issues with stakeholders, building hypothesis, and testing hypothesis;
4. Prioritize management response: identify priority areas of action, management of responses and recommendations, adopt decisions on long term basis, development of indicators and monitoring progress.

The second step in this methodology - Measuring direct and indirect impacts - is strongly related to stakeholders' involvement. MIF provides suggestions about recommended and alternative actions that could be taken in this step, e.g., «Guidance on stakeholder engagement for identifying development priorities».

As the SEAT-methodology, MIF is developed as a full impact assessment tool. Even though both of these methods were developed mostly for the impact assessment of profit-oriented companies, specific parts can be well applied to social innovation projects and non-profit organisations.

2.4.5 Value Network Analysis

Methods described in the previous sections were embedded in more general tools for impact assessment. The tool described in this section - Value Network Analysis (VNA) - is a separate instrument for stakeholder analysis. The fact that VNA framework highlights both tangible and intangible value creation fits in well with the application of the mixed-method approach for evaluation of social innovations, since intangible values are often in need of qualitative methods of assessment, while tangible values can mostly be assessed using both quantitative and qualitative methods.

Activities identified in the previous step of the impact assessment (step 2) can inform about (at least part of) the necessary transactions among the stakeholders in the innovation network. Furthermore, the Input Map (see section 2.3.3) helps to identify some of the main actors dealing with the problem. Nevertheless, an optimal evaluation would benefit from comprehensive and integrated visualization of all kinds of relationships which can arise among the involved actors and stakeholders.

As explained in D7.1, VNA is a suitable tool for demonstrating and analysing (qualitatively) the role of stakeholders in terms of values they exchange with other stakeholders in the social innovation network. Not only provides VNA a tool for analysing of the roles and *tangible* value creation, but it also allows the impact assessment process to be enriched by inclusion of the *intangible* value creations and exchanges - which are a common characteristic within social innovations - in the evaluation.

Indeed, before moving to the stage of quantification, it is proposed to develop a VNA for the social innovation which is being evaluated in order to better understand the trajectory and logic of impact creation in the social innovation network.

The causal relationship identified in the previous step in our ex-ante impact assessment framework describes the logic based upon which we expect the impact to materialize. However, the job division in conducting the identified activities - which is partly identified through the Input Map - needs to be elaborated with regard to the complementarities which can be achieved through the partnerships common to social innovations. VNA is a tool to not only trace those complementarities, but also to follow the trajectory of transmission of some intangible value types into tangible ones, which then will feed our calculations. The other way around, identified stakeholders may help in further clarifying activities. Step 2 and 3 are therefore complementary and can be performed in parallel.

Figure 8 depicts a generic value network mapping scheme, in which interacting roles, and tangible and intangible deliverables exchanged among the participating roles are shown.

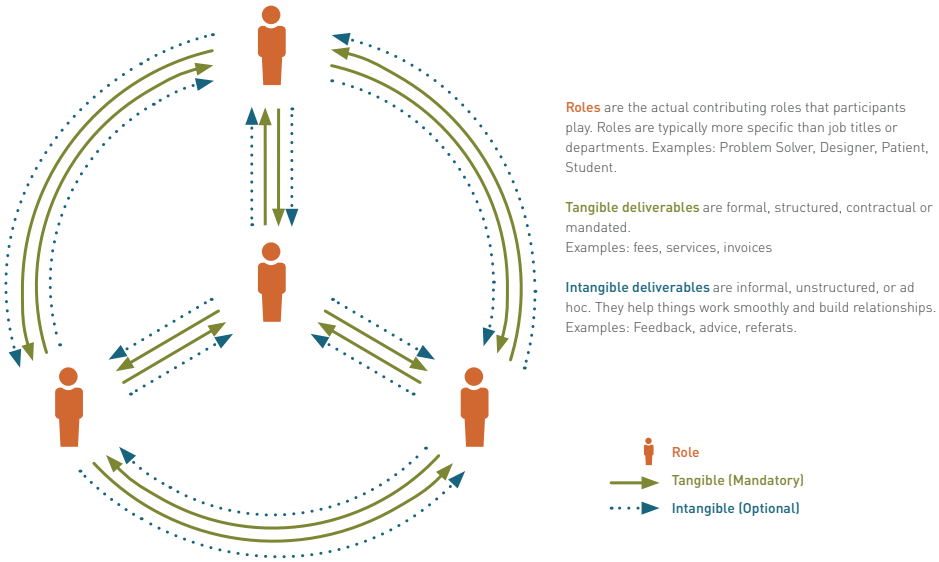


Figure 8. Value Net Map for Value Network Analysis (Source: ValueNet Works)

Three types of analysis are proposed by Allee (2002) for conducting a complete VNA. These include *exchange analysis, value creation analysis*, and *impact analysis*. Indeed, these three analyses constitute a crucial part of the qualitative side in the mixed-method approach for the assessment of social innovations. This is due to the fact that these three analyses let one move from the descriptive part of the evaluation to the prescriptive part, where proposed changes lead to «boosting the impact». Hence, it is important to understand how these analyses are done.

Exchange analysis is concerned with investigation of the general pattern of the exchanges in the network, sufficient reciprocity, existence of weak or inefficient links. Allee (*ibid*) suggests questions like the followings as helping to conduct the exchange analysis:

- Is there a coherent logic and flow to the way value moves through the system?
- Does the system have healthy exchange of both tangibles and intangibles, or is one type of exchange more dominant? If so, why might that be?
- Is there an overall pattern of reciprocity? For example, is one of the participants extending several intangibles without receiving a fair return?
- Are there missing or «dead» links, weak and ineffective links, value «dead ends,» or participant bottlenecks?
- Is the whole system being optimized, or are some participants benefiting at the expense of others?

Indeed, these questions can serve also as *risk analysis* for the social innovation, where in the ex-ante impact assessment we aim to mitigate the risks as part of the endeavour to boost the impact.

Value creation analysis is the assessment of the value increases that an output from each party triggers for the other parties and how that value-triggering party itself benefits from it. To improve this aspect in the value network of a social innovation, the evaluator shall look for opportunities to *add* or *convert* values across the network of stakeholders. For a social innovation partner, this can for instance help to identify opportunities through which it can improve the impact of the SI by dedicating more volunteering capacities, or create intangible values which are more easily or more effectively transformable to tangible values (e.g., providing more in-demand skills). Figure 9 shows a schematic form visualizing the value creation analysis.

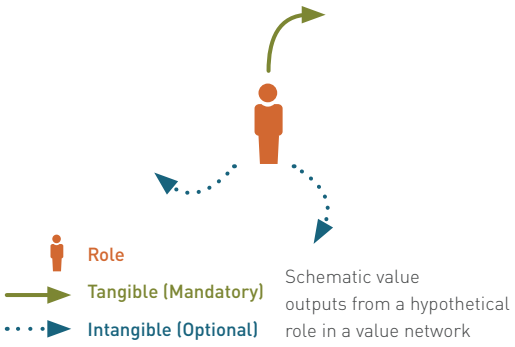


Figure 9. Schematic value outputs from a hypothetical role in a value network

Impact analysis in VNA asks if an involved party can create value from the received inputs. Allee (*ibid*) suggests questions like the followings to better clarify this point:

- How each input generates a response or activity;
- How each input increases or decreases tangible values;
- How each input increases or decreases intangible values.

For a social innovation partner, this can imply for instance that it shall seek ways to best exploit the inputs of various kind which it is receiving from other partners in the network (e.g., better sharing of the information, better organization of the activities and allocation of the resources), thereby improving the efficiency of the innovation network. Figure 10 shows a schematic form visualizing the impact analysis.

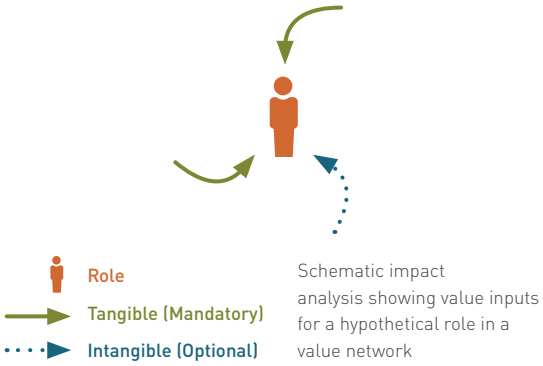


Figure 10. Schematic impact analysis showing value inputs for a hypothetical role in a value network

The value creations and exchanges depicted on the VNA map can feed the calculations of the benefits gained from the social intervention/investment. Specifically, the analysis done in the *impact analysis* part of the VNA prepares the evaluator to develop a comprehensive impact measurement in the next step of the ex-ante impact assessment framework. This is due to the fact that VNA's impact analysis focuses on individual roles (partners) in the social innovation network and elaborates on their incoming *resources* and how these are utilized.

VNA of the partnership in the City of Utrecht and «I-DID Slow Fashion Movement» project

In the previous sections different tools and methods were suggested for the stakeholder analysis from different standpoints. For example, The Venture Philanthropy Approach can help to identify stakeholders in terms of being contributors or beneficiaries, Socio-Economic Assessment Toolbox provides suggestions for categorisation in terms of communication levels, Measuring Impact Framework can advise about engagement levels determination, Value Network Analysis suits for a clear visualisation. A combination of the given methods and frameworks and tools within them provide a wide range of possible actions with regard to stakeholder analysis.

In one of the case studies, i.e. the ex-ante impact assessment of I-DID Slow Fashion Movement project, Value Network Analysis was used to determine the roles of stakeholders. Analysis was started with the stakeholders connected to the programme. The direct value that each of these stakeholders 'collects' from the programme is identified in the «map» using arrows. In the following figure one can see how an applied VNA looks. This figure visualises how complex relations in social innovation can be and that stakeholders (in some cases) have to handle conflicting needs that stem from other actors.

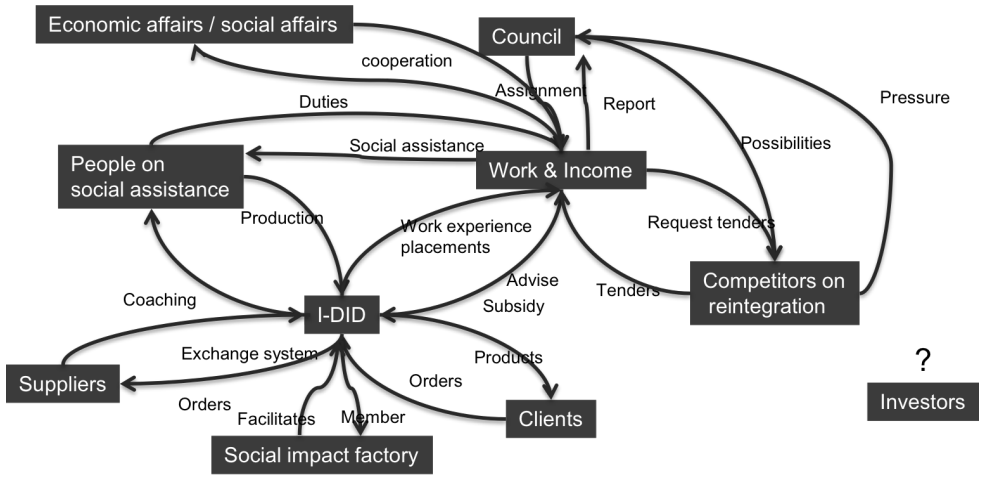


Figure 11. VNA of the partnership in the City of Utrecht and «I-DID Slow Fashion Movement» project

2.5 Tools for Step 4 - Calculating Impact

2.5.1 Introduction

Step 4 in the conceptual framework is about Calculating Impact: an important step is to calculate the possible impacts from the social innovation. Social, economic and enterprise impact can be assessed with the use of existing tools. The impact assessment should be accompanied by a set of tests needed to check the counterfactual nature of the results. For each of the impacts, the degree of uncertainty (likelihood) should be estimated. In addition, attention should be spent on barriers and enablers to achieve the goals and objectives. In this chapter, two tools are described which can be helpful in calculating costs: for the macro-level a social cost-benefit analysis tool adjusted to fit into the Skandia Model, and for the micro-level the REDF social-return on investment tool.

2.5.2 Social-Cost Benefit Analysis

Introduction

As mentioned in SIMPACT's D7.1, the methods constructed on the cost-benefit analysis have so far been found to deliver most tangible, monetizable, long-term-oriented impact evaluation results. As we aim to focus on ex-ante impact assessment, such cost-benefit analyses shall be able to serve as «estimator» of cost-benefit of social investments in the form of social innovations, taking into account the costs and benefits which will occur to all involved partners in the social innovation.

Social cost-benefit analysis (SCBA), which is an extension of basic cost-benefit analyses (CBA) logic to the sphere of social investments, should be construed in the widest sense, measuring changes in individual 'utility' and total 'social welfare' (though economists frequently express those measures in money-metric terms). SCBA differentiates from CBA by taking into account the viewpoint of society or economy as a whole. SCBA is therefore best suited to perform analyses on macro-level and is useful for policy makers (Maas & Liket, 2011). One of the best developed of such SCBA models is the Skandia Model.

The Skandia Model aims at getting decision-makers in the public sector to realize that the most cost-effective way of addressing social exclusion is to make sure they do not occur in the first place. It therefore proposes a social investment appraisal model in line with this idea. The model was built looking at measures by public authorities, but it can easily be used to see the impact of social innovations. This would require an extra measurement activity, in this sense that social innovations need to be related to the impact of diminished public social support.

The main measurement aim of the model in Sweden and Denmark has been to show the costs of various forms of social exclusion, and has highlighted the value and gains generated by preventive measures.

For instance, Skandia Model has shown that the social exclusion of a single person in Sweden over a life time can cost the society up to SEK 10-15 million (equivalent to about 1 to 1.6 million Euros). Also it has been shown that the Danish society saves DKK 15 million (equivalent to about 2 million Euros) per young person who moves from a «career» on the periphery of society to establishing permanent labour market ties.

This kind of calculation helps to clarify how much public social measures and/or (private) social innovations can reduce these societal costs. Within the framework of the

SIMPACT project, which specifically targets those social innovations which address social exclusion, the **ex-ante** impact assessment of social innovation can benefit from such **preventive** social investment assessment models, by regarding the investment on social innovation as an instrument for preventing social exclusion. The effectiveness and efficiency of such investment shall be measured not only before initiating the innovation, but also for assessing its sustainability and its upscaling prospects.

In this section the main principles of the Skandia Model as a tool for *impact calculation* in our ex-ante impact assessment framework is presented:

- Identifying cost elements;
- Estimating procedures for life-time costs;
- Relating costs to (social) interventions;
- Dealing with combination of interventions.

IDENTIFYING COST ELEMENTS

The socio-economic analysis in the Skandia Model categorizes the *costs associated with social exclusion/ marginalization* as followings;

- Costs associated to the social situation of a person or group:
  - [Health care costs (disease costs)];
  - Costs related to drug use;
  - Production loss;
  - Societal damages;
  - Use of social benefits;
- Costs associated to the intervention:
  - Rehabilitation efforts;
  - Livelihood support;
  - Monitoring costs;
- Costs related to possible societal benefits:
  - Taxes and fees;
  - Increased participation rate: income.

In the Skandia Model, the revenues are foremost comprised of the socio-economic costs that are avoided based on exclusion-preventive measures. Therefore, analysis and calculations revolve around how costs add up (increased cost) or disappear (increased revenue). Costs are in terms of loss of production (due to exclusion), rehabilitation

efforts from different actors, and livelihood support. Tax revenues are part of production loss (avoided production loss).

The Skandia Model as a social investment calculator is used to make assumptions and prognoses about how successful the undertaken measures are when it comes to influencing the future costs and revenues. The costs in the model refer to the real expenses (see above for clarification) such as a visit to a doctor, legal investigations, student care, rehabilitation efforts, medical operations etc. The costs for taking such actions are calculated on the basis of average (typical) individual costs during a year. The model also takes into account the employment, change in employment status and reduced productivity of the excluded individuals, and enables to calculate the impact of these factors on taxes and fees.

The costs of the inaction - i.e. life-time socio-economic exclusion of the target individual- is calculated on the basis of the following costs:

- Real efforts (interventions) taken by the public actors: municipalities, county councils, the judiciary, etc.;
- Costs related to non-participating in the labour market4

ESTIMATION PROCEDURE

The data for these cost calculation can be collected by using registers. Sometimes these data do not suffice and then expert judgement is required. These are the two main estimation procedures for future cost development.

1. WORK PROCESS IN REGISTER-BASED CALCULATIONS

In the register-based calculations there is access to individual data from different actors, often at a very detailed level. For instance, these may be related to medical record data from the healthcare system, data on incomes, livelihood supports, and reports from the social insurance, employment or other social services. In the best situation, it should be possible to compile the facts directly into a spreadsheet. The Input List described in section 2.3.3 (Table 3) is an example of one of the sheets in the spreadsheet file. Figure 12 shows the composition the work process in the Skandia model.

[4] These expenses will be very different between the different countries, relating to the different social security systems.

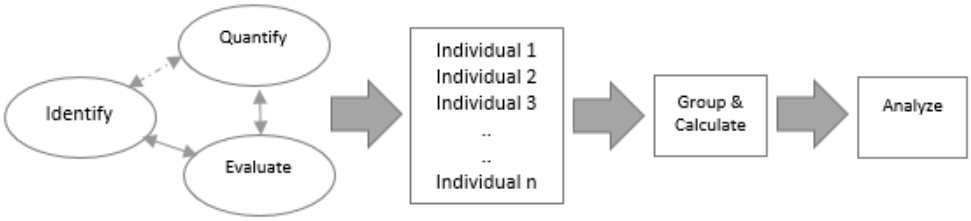


Figure 12. Work process in the register-based calculations
(Source: Nilsson & Wadeskog, 2013; own translation)

The benefits of the register-based estimates are, of course, the detail and the ability to make statistical generalizations. The disadvantage is that they are time-consuming and thus costly, and that trends in the past are not necessarily a good prediction for the future (e.g. it could be that legal changes make access to different interventions totally different). In most cases, stakeholders find such estimations difficult to interpret, let alone that they could construct the data themselves. They require a more comprehensive insight and sense for the economic performance of a given intervention and actions. For this purpose, an alternative calculation process has been offered within the frameworks of Skandia Model, i.e. the expert judgement based calculation.

2. Work process in expert-based calculation

The expert judgement based calculation is used more often than the register-based calculation. It follows the same work process as the register-based format. Here, the register-based data is replaced with different estimations, where we practically invent records for fictitious but representative, individuals (see Figure 13).

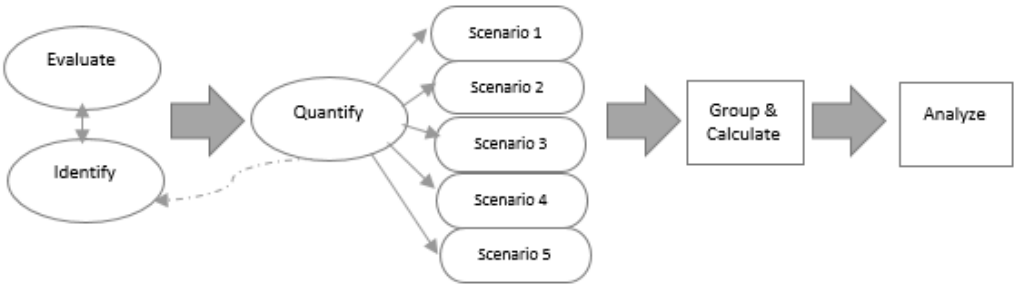


Figure 13. Work process in the scenario-based calculations
(Source: Nilsson and Wadeskog, 2013; own translation)

One usually works with several reference groups for recruiting experts in expert judgement based costing. These reference groups are composed of representatives of the target group and the different actors engaged with the target group. The reference

groups are crucial to identify the various actions and to be able to carve out events in typical individuals' life over the given period, i.e. obtain data that otherwise would have had to be found in the records and registers. The estimations are built around a representative individual of the target group. They can be made for arbitrary periods of time, such as one year before the intervention, a year after the intervention, five years before, five years after, 18 months after, etc. The estimations can also be used for formulating scenarios.

Depending on the target group in the calculation, one needs to try to group the type of individuals so that cost differences between different segments of the target group will be clear. It typically refers to differentiating by sex, age and time of the exclusion. For instance, with drug abuse the segmentation is often based on the primary drug of the user. For the most part, it is about using the projected costs of typical individuals to match a known composition of a given population in a given project, at a specific location, etc. Once the segmentation is well made it is possible to perform the same type of analysis as in register-based calculations.

MEASURING THE IMPACT OF MEASURES

The first estimation of costs delivers us a view on possible cost development, in the situation of 'inaction': this is what you can expect if the social exclusion is allowed to remain in existence. Next step is to make a structure (using the causal mapping) of efforts and resources which are important around the specific target group. This requires an assessment of the series of actions by looking for the related data in various registers and records. This will certainly need an iterative (repetitive) procedure to complete. The procedure is to see what the measures will change on the different costs.
When all the register-based data are collected and connected to interventions, one has a database of impact of social interventions[5] at different times for a number of target individuals. These can be calculated in different ways depending on what is to be studied. It is possible to segment the individuals in different ways, such as age, sex, education, location, diagnosis, volume and cost. It is also possible to segment based on the time frame before and after an intervention (for example, five years before and after preventive action). The result of these segmented calculations can then be analysed in turn:

- to set against the alternative costs;
- to be subjected to sensitivity analysis;
- to form the basis of forecasts;
- use of counterfactual analysis.

[5] Data related to interventions required for a life-time excluded person, and the related costs.

These results should then be used for estimating the impact of social innovations as specific interventions. In this analysis, it should also be accounted for to which degree social innovations lead to shifts in the different costs. Social innovations have their own cost structure, but possible lead to shifts in public expenditures too.

In an expert judgement, the start is also identifying different actions that the target group will be subject to. This is in most cases about both real and financial actions and production losses[6]. Whether something is real or financial cost is kept separately in the database which is gradually built up.

ALLOCATION AND COMBINATION OF ANNUAL COSTS ALONG THE TIMELINE (CHRONOLOGY)

The Skandia Model enables to perform a social cost-benefit analysis of a planned social project or social innovation, taking into account its costs and how the costs are distributed among the public actors, number of persons in exclusion it is targeting and estimation of the potential benefits of the project. The *Chronology* step[7] in the Skandia Model is used to distribute and balance the already created yearly values over the calculation period. In order to allocate the calculated typical annual costs/savings related to the target groups over the years, two alternative models, namely a ***base model*** and a ***combined model*** have been developed in the Skandia Model, to finally evaluate the cost of investments vis-à-vis cost of inaction.

In the **base model**, the measures for each target group are identified separately, and are based on the previous studies. For instance, when applied in Sweden, the base model uses 14 templates which have been developed in the previous studies showing the estimation of the average expenses of the public sector actors on different target groups (e.g., drug addicts, the mentally disabled, unemployed, sickness absences) per year, and for helping such a person who is at risk of exclusion. The helping measures could include for instance monetary and social contributions, such as counselling services. When the measures are identified, next step is to estimate the cost of the identified activities. As mentioned before, this process can be based on expert judgements or registered data. For some calculations individual data is also used, often at a very detailed level. Personal data is also used in some cases, such as information about the income, personal records from the healthcare, employment service and social services. In expert judgement-based

[6] Production loss is part of real costs. The original text but has separately mentioned it, because it speaks about real actions (intervention) costs, which together with production loss, constitute real costs.

[7] Chronology is in fact within step 3 (calculating costs). In order to conduct the calculation based on the quantified annual costs, one needs to project the total annual costs along the life time of the target group. Now, this annual costs can be rather monotonic (in which case we use base model) or varying along the years (in which case we use combined model). The latter is mainly used for interventions early in life (child and youth projects), because the costs vary a lot over the years in the life time.

calculations the registered data is replaced by different scenarios. The latter approach is more commonly used.

Then the measures are summed up and quantified by the category and then the costs for these measures are distributed among the responsible public actors. The results of the calculations are presented in the diagram showing different scenarios.

If one is to evaluate a rehabilitation project with a well-defined target group, the base model usually works just fine. With target groups whose input costs change much during the calculation period, the base model does not work equally well. They were the main reason that the Combined Model was developed within the Skandia Model. The **Combined model**[8] is common in prevention projects targeting children and young people, where the project is expected to have an impact for a long time (often up to retirement age). The aim of the combined model is to tie together different base calculations over a longer period of computation. Each basic scenario calculations contains a set of annual expenses / revenues that are based on a certain project, a target group and some average annual costs for rehabilitation efforts (which may vary over the calculation period).

2.5.3 The REDF Approach to Social Return on Investment

REDF is a capacity building entity created in the late 1990s focused on high engagement funding measures to support social organisations and social entrepreneurs scale their activities, achieve financial sustainability, and help measure their activities in terms of social impact (Tuan, 2014). High engagement funding measures are large mid-long term investments to support social organizations, and social entrepreneurs, guaranteeing their financial sustainability during an agreed period of time. In this context, REDF developed a social impact assessment approach based on the Social Return on Investment (SROI) project to evaluate capital grant requests by social enterprises and organisations that meet the REDF portfolio criteria. SROI is an adjusted form of SCBA and better suited for the use on micro-level, i.e. project-level (Maas & Liket, 2011). This process of evaluation is divided into three stages that include: True Cost Accounting Analysis (TCAA) focused on how individual organisations track their expenses in relation to their current state of accounting; the Capital Structure Issues and Analysis for Social Purpose Enterprise; their Social Outcome Analysis and SROI portfolio analysis (aggregated data of qualitative impacts including economic value and social impact) (REDF, 1999; Emerson & Cabaj, 2000).

[8] The combined model combines different annual costs (rather than similar annual costs for many years), which usually appears in case of social investments (innovations) targeting younger target groups. The reason is that the social costs associated with these target individuals change considerably during the years. Hence various base annual costs (corresponding to various stages in person's life) shall be combined to model their situation.

For social enterprises focused on social purpose, value creation is achieved through a continued process that moves from purely economic value, to socio-economic value, to social value (See Figure 14) (Emerson & Cabaj, 2000:10). These three ways of generating value are measured through a planned investment time frame and are defined as follows:

- Economic Value is generated through resources or set of inputs in an accumulative process, creating more inputs or processes that increase their value, and that are later translated into the creation of a product or service that has greater market value in the next level of the value chain (REDF, 1999). Economic value refers to a financial return on investment;

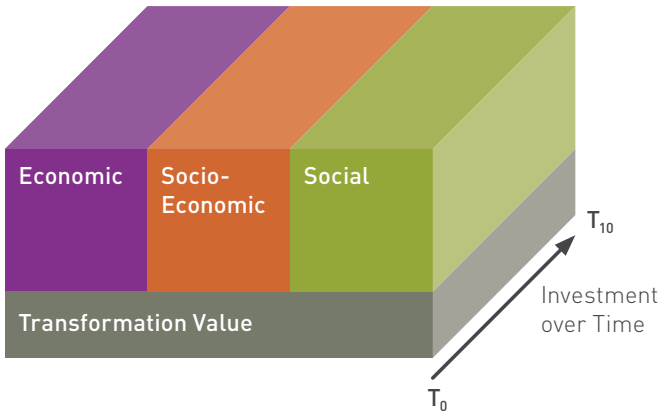


Figure 14. Three types of Value REDF portfolio (Source: REDF, 1999)

- Social Value is produced through the combination of resources, inputs, processes or policies that generate improvements in society as a whole or that are directed to improve the lives of certain socially vulnerable target groups (REDF, 1999). Social value is by its very nature difficult to quantify, e.g. community cohesion;
- Socio-economic value builds upon economic value and includes elements of social value, that are able to decrease public expenditures or increase public sector revenues that results from a non-profit activity, improving the quality of life of the clients of the social enterprise. Simplified, social economic value are those elements of social value that can be monetized. These impacts involve job creation, job training and employment programmes focused on socially vulnerable target groups (Emerson & Cabaj, 2000:11). Socio-economic value is the quantification and monetization of elements of activities to increase the social value.

REDF's SROI approach focuses solely on economic and social-economic value (Gair, 2001). The process of evaluation is calculated through a series of stages where different values are determined: i. Enterprise value; ii. Social purpose value; iii. Blended value; iv. Enterprise index return; v. Social purpose index return; vi. Blended index return. Basically, Enterprise Value refers to economic value, Social Purpose value refers to

socio-economic value and Blended Value is the sum of both subtracted by any accrued long-term debt. The three types of values are consequently compared to the their corresponding investment (See REDF Box Set for more information on the calculation of the indexes)[9].

As a result, the SROI approach developed by REDF approaches social impact assessment and measurement through six different steps (see Figure 15):

1. Examination of a specific social service over a certain period of time and the amount of investment required to support it;
2. Analysis of the capital structure of the non-profit;
3. Identification of cost-savings derived from the social service activity both, internal (inside public policies) and external value generated inside society;
4. Monetization of cost-savings and different benefits derived from the activity;
5. Discount these savings going back to the beginning of the invested timeframe (five to ten years);
6. Present socio economic value (blended enterprise value and social purpose value) during the invested time-frame;

Even though SROI is not a perfect design tool for SIA, it does articulate a processed story and journey of the social value creation of a certain social enterprise or social innovator. It does not, however, capture through solid data a direct connection between social investment opportunities and their social impact. Nevertheless, it can be considered as a valuable and tested instrument for ex-ante socio-economic impact assessment (Trelstad, 2014).

[9] See REDF (1999): REDF Box Set: Social Purpose Enterprises and Venture Philantropy in the New Millenium. San Francisco, CA.

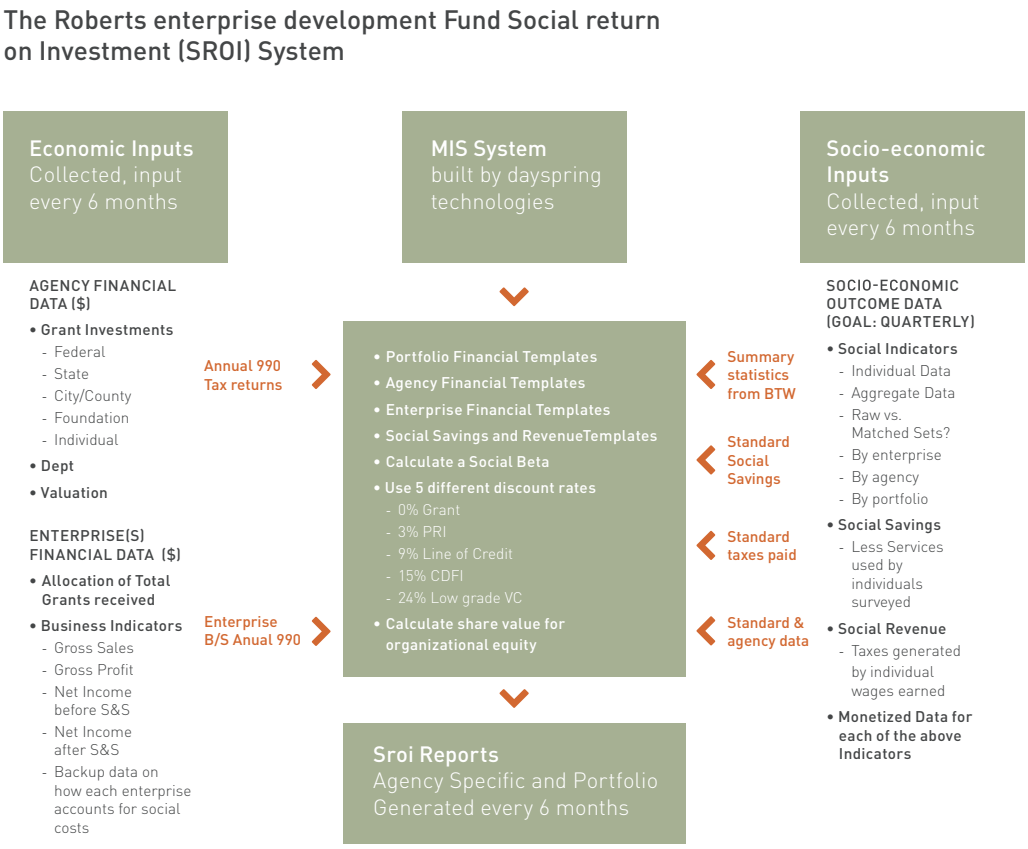


Figure 15. REDF approach to Social Return on Investment (Source: REDF, 1999)

Impact Calculation of the City of Utrecht and «I-DID Slow Fashion Movement» project for 2017

The next step is to calculate the impact. This will be carried out by looking at the previous years' inputs and outputs, their analysis, and socio-economic outcomes, which focus on both, direct and indirect effects.

Inputs: investments

The costs have been calculated for the period 2014-2015, for the first 3 groups in the project. These figures shed some light on possible costs while calculating impact for 2017. We assume that the cost structure for the program remains the same, however it is not yet decided which costs will be covered by the department of Work & Income.

Outputs

Below, an overview is given of the obtained outputs in the period of 2014-2015 (first three groups, one year of the programme). It is focused on a perspective of the participants.

- 2 participants have a regular job at I-DID for 16 hours. Annual reduction of costs for municipality €13.794 (16/28 x €12.100).
- 19 participants have completed the training successfully & acquired a certificate.
- 15 participants can be matched to regular work.
- participants can be matched to voluntary work (due to language problems).
- 15 participants have dropped out, 9 of which after the trial period.

Table 6. Proposal Indicators for Outputs In 2017

	Realisation 204-15 (ex post)	Ex ante: 3027
Successful completion (diploma)	56%	80% (2017)
Can be matched to regular work	44%	80%
Outflow participants to paid work (for 16 hours)	6%	10% (2017)
Sustainable outflow (4 years)	?	10%

2.6 Tools for Step 5 - Decision Process

2.6.1 Introduction

Step 5 is the final decision making process: the outcome of the impact assessment should be presented and discussed with the stakeholders. With social innovation, stakeholders are part of the community and the specific networks that are built when addressing a social challenge. Discussing the decision process to value social and economic outcomes with stakeholders, can give a lot of insight on the context where social innovation is applied and the target groups they are addressing. Many social target groups can only be addressed through stakeholders that have a know how in the contexts where these innovations might be developed.

2.6.2 Skandia-Tool

As the mixed-method approach would lead to availability of both quantitative and qualitative assessment results at the end of impact measurement process, the decision-making stage would still rely - to a certain extent - on the expertise and insight of the evaluator(s) to judge about the impact of the evaluated social innovation.

The decision process would be apparently more complicated if quantitative impact assessment is less pronounced due to the nature of value creations or lack of necessary data. In such situations, qualitative part of the assessment would have more importance in the decision making. When impacts created by a social innovation are less quantifiable, (e.g. projects aiming at improving social capital, networking of people, skills improvement etc.), then the assessment is more complicated because it would rely on qualitative assessment methods, which are less «objective» assessments.

The decisions concerning social innovations based on ex-ante assessment of their impact has been categorized as:

- Social innovation start-up,
- Social innovation sustainability,
- Social innovation upscaling.

In case of sustainability or upscaling, the Skandia Model can benefit from real data instead of expert judgement, as the availability of data resulting from the start-up phase may feed the impact calculation model. However, this may not be the case when the outputs from the start-up phase take longer time to materialize, or when the outcomes are to be taken into account, which usually are evaluable in longer run.

2.6.3 REDF-SROI

According to the European Venture Philanthropy Association (EVPA) in their «Practical Guide to Measuring and Managing Impact» (2013), **outcomes** refer to those changes, learnings, benefits, or effects, both short and long term, derived from the organisations' activities; whereas **outputs** are those tangible products or services that result from the organisation's initial outcomes of their activities. However, when looking at social impact assessment (SIA) and social investment (SI), only long term outcomes are those determining the **social impact** of the organisations' activities.

In this sense, the capacity to scale the social innovative outcomes of the organisation as well as the role of the stakeholders involved in their actions is equally important to determine the potential capacity of successful social innovations. Agreeing with the vision of «what scale means» developed by Roberts Enterprise Development Fund (REDF) in their «Impact to last» Report (2015), scalability and scoping is a process, rather than a final objective for the social enterprise or the social innovator. This process is strongly determined by their programme model, the type of business, and the opportunities provided by funders and customers. The probability of determining scoping from a SIA approach is therefore more linked to a clear design of the intentions and objectives addressed in the Business Plan of social entrepreneurs/social innovators

and the sustainability of their initial and future costs. The REDF understands this scaling capacity through three different categories:

1. Expanding business and programme operations, through the creation of new businesses, or strengthening work supports;
2. Replicating to new sites through the creation of new communities or partner operations that are adapted or replicated in new contexts (achieving financial sustainability, creation of new and meaningful jobs for excluded social groups, building a stable customer base or finding new partnerships);
3. Transferring knowledge through a series of shared principles and lessons that can help the community adapt a certain approach to their local context. From this perspective, the organisations' potential and real capacities to learn and acquire experience through their actions are crucial for the knowledge transfer of their innovation.

Consequently, ex-ante impact analysis instruments to assess socio-economic impact need to take account of the mentioned aspects, where the potential demonstration of socio-economic impact by the social innovator/social enterprise through the potential evaluation of outcomes is crucial and could guide policymakers for the development of specific policies. Meeting the contribution to economic development by the funders' interests, and the potentiality to build profitable and productive partnerships in relation with other stakeholders also need to be addressed.

Design process for City of Utrecht and «I-DID Slow Fashion Movement» project

In the previous sections different steps have been listed and described. In those steps the material for the decision makers at the department of Work & Income was prepared to come to a conclusion. In this step, the stages in the decision process are identified and the actions towards important stakeholders are proposed:

Internal decision making at the department of Work & Income:

- Internal evaluation by the city (including the role of the city). Second half of 2016;

Steps to take together with I-DID:

- Business case for the city and I-DID are being made (also input for other bullets). Second half of 2016;

Explore possibilities of finding other funds (with business case);

Steps to take together with the council:

- Report ‘successes’ and lessons learned;
- Connect to political goals;

Drafting year plan for 2017 and contract with I-DID:

- Components: inputs, outputs, indicators (short and long term);
- Social and economic outcomes;
- Types of financing;

Connection to other projects with social enterprises and the regular reintegration program.

3 LESSONS LEARNED

Ex-Ante Impact Assessment is very useful to structure the development and decision around initiatives. Often, when impact assessment is not used, these processes are less rational, manageable and difficult to reconstruct. Additionally, a fresh pair of eyes may provide a different perspective and help social innovators to further improve their work.

The framework of the ex-ante impact analysis of social innovations consists of several steps. For each step different tools are described which may be used. It is advised to make a critical assessment which tools to use beforehand, depending on the available time, budget, and knowledge resources. The framework was supported by three case studies. Our lessons integrate the learnings in these cases implementing the framework.

- *Lessons with general set-up of IA*. It is useful to see the impact assessment as an iterative process, i. e., starting with goals, determining relationships between inputs and outputs, making stakeholder analysis, then possibly re-establishing goals and inputs/outputs relationships, then rethinking actors in the network, etc. Iterations appear since new, unforeseen actors can be identified, unexpected possible relationships emerge and all this information has to be included in the corresponding (already accomplished) steps of the analysis. Also, after analysing outcomes, a change in planned activities might emerge; one might need to look again at the stakeholders and reconsider their role: to cooperate, to inform, to involve them more actively in the impact assessment, etc.

  Next to an iterative process, it is sensible to develop a monitoring plan as a relevant additional step, for which the impact assessment is an important input. When monitoring it is helpful to try to compare the results of the initiatives with other projects. This should be taken into account when developing the monitoring plan. Inspiring Scotland put a lot of emphasis on monitoring impact of the social innovations, yet lacked information on their added value as an infrastructural agent for getting these social innovations to the next level. Having clear benchmarks can help to identify components of the impact.

- *Lessons with goal formulation*. The main question is the degree of detail needed for goal formulation. Some users of the impact assessment framework find it very important to make the goals and expected outcomes more concrete/measurable, define indicators and targets. It is time consuming due to many steps. Even though thinking of well-suited indicators is difficult, it helps to get a clear picture of what users actually want, and what actually has to be achieved. Sometimes social innovators do not really know if their initiatives are successful or not, since they do not have any frame of reference to compare their activities. This reference can be the explicitly stated expectations or results of other projects. In the cases I-DID and A&O funds results of previous years (ex-post) are very important to develop goals and targets, and they are used as a reference to define targets. However, some users

might find it less important to create a total overview of all indirect outcomes, e.g., of less important ones or the small macro impact. However, it is clear that the more detail is requested, the more effort it requires.

- *Lessons with developing a rationale and stakeholder-analysis*. Sometimes The Theory of Change may be done in cases, but is not made explicit. Often users have an implicit idea and find it useful to make it explicit in order to discuss the plausibility inside the organization and with stakeholders. Our case studies did not develop a TOC. The fact that we showed them what it could mean for future plans, was a well-received proposal.

  In some cases the stakeholder analysis is not made explicit as well. Well-defined stakeholders and their roles are useful for developing the goals and assessing the impact, as well as defining the roles of stakeholders in the impact assessment itself.

- *General lessons*. One of the most common issues with ex-ante impact assessment is the availability of hard data. One of the suggestions is to use data from previous years and similar projects as guidelines, some additional insights can be gathered from experts' opinions. From our cases, we learned that making an impact assessment is rather difficult and time consuming (due to many steps and difficult tools), and this can look like a reason not to do it. However, depending on the time available, one can choose to do a simplified version. Furthermore, although the tools are quite complex, procedures become easier and faster with more experience. Based on the previous comment, one might think that an ex-ante impact assessment should be guided by an expert due to the inherent complexity of social innovation itself and the tools/constructs used, however, even non-experts can benefit from executing an assessment. The framework is not meant as a precise ex-ante method, but rather as a tool for social innovators, investors and policy makers to get a grip on possible outcomes and have some backing in their decision making.

- *Lessons for the scope of the toolbox*. Ex-Ante Impact Assessment of social innovation requires a mixed method approach. The tools described in each of the steps of the assessment method show how to deal with tangible and intangible information. One must be aware of the different levels of measurement at the micro (social innovator, social entrepreneur), meso (companies, social organisations, social investors, venture philanthropists) and macro (society- country) levels. Some of the mentioned tools (SEAT, MIF) were developed with the purpose of measuring the social impact of for-profit oriented activities of big corporations to justify their actions and establish mechanisms which regulate and measure their social responsibility and their environmental impact. The investment and support of their business actions (mainly in very different country-settings) is therefore directly related to their capacities to measure these impacts.

  Social Innovators are, however, majorly non-profit oriented and have specific purposes to address very distinct, localized and contextualized social problems and social target groups. Thus, it is important to state that most of these tools could only help policymakers and social innovators to guide and assess the economic sustainability and investment of social innovations based on the scope of their social initiatives. Based on the «classification of methods» on «Social Impact Measurement» done by Maas & Liket (2011), only the Measurement Impact Framework (MIF) and the Socio-economic Assessment Toolbox (SEAT) would apply to the meso (organisational) and macro (society) levels of impact measurement, including inputs, activities, outputs, outcomes and impact metrics. Social

Impact Assessment (SIA) would involve a macro-level approach, whereas Social Return on Investment (SROI) would be mainly focused at the micro level of the social entrepreneur and the social innovator, although it could also be partially adapted at the macro-level. The Regional Social Innovation Index would focus on a qualitative organisational approach (meso) to measure potential capacities inside organisations to develop social innovations, only being centred on the measurement of the organisations' capacities. With this, the RESINDEX helps in relating inputs to the desired outcomes, and with this insight it helps the goal formulation process.

REFERENCES

Allee, V. (2008). Value network analysis and value conversion of tangible and intangible assets. *Journal of Intellectual Capital, 9*(1), 5-24.

Allee, V. (2009). Value creating networks: organizational issues and challenges. *The Learning Organization Special Issue on Social Networks and Social Networking, 6*(6)427-442.

Angloamerican (2012). *SEAT Toolbox. Social economic Assessment Toolbox* (Version 3). London: Anglo American Services.

Castro-Spila, J., & Unceta, A. (2015). Modes d'innovation sociale et gouvernance. In J. L. Klein (Ed.), *La Transformation Sociales par L'innovation Sociale* (pp. 91-102). Quebec: CRISES.

Chesbrough, H., & Di Minin, A. (2014). Open Social Innovation. In H. W. Chesbrough, W. Vanhaverbeke & J. West (Eds.), *New Frontiers in Open Innovation* (pp. 169-187). Oxford: Oxford University Press.

Cohen, W. M., & Levinthal, D. (1990). Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quaterly, 35*(1), 128-152.

Cooke, S. D. N., & Brown, S. (1999). Bridging Epistemologies: The Generative Dance Between Organization Knowledge and Organizational Knowing. *Organization Science, 10*(4), 381-400.

Emerson, J., & Cabaj, M. (2000). Social Return on Investment. *Making Waves, 11*(2), 10-15.

EVPA. (2013). *A practical guide to measuring and managing impact*. [S.l.]: European Venture Capital Association.

Grace, K., Griffith, J., & McCallick, B. (eds.) (2015). *Financing Social Innovation. Analyzing Domestic Impact Investing Policy in the United States*. [S.L.]: Accelerating Impact Investing Initiative.

Grossman, A., Appleby, S., & Reimers, C. (2013). Venture Philanthropy: Its Evolution and Its Future. *Harvard Business School, 9*, 1-25.

IFC (2008). The Measuring Impact Framework. Understanding the business contribution to society. (http://www.wbcsd.org)

Interorganizational Committee on Guidelines and Principles for Social Impact Assessment (ICGPSIA). (1994). Guidelines and Principles for Social Impact Assessment. Washington: US Department of Commerce / National Oceanic and Atmospheric Administration / National Marine Fisheries Service Techn.Memo. NMFS-F/SPO-16, 29 p.

Knight, D., Pearce, C. L., Smith, K. G., Olian, J. D., Sims, H. P., Smith, K. A., & Flood, P. (1999). Top management team diversity, group process, and strategic consensus. *Strategic Management Journal, 20*(5), 445-465.

Lane, P., & Lubatkin, M. (1998). Relative Absorptive Capacity and Interorganizational Learning. *Strategic Management Journal, 19*(5), 461-477.

Maas, K., & Liket, K. (2011). Social Impact Measurement: Classification of Methods. In R. L. Burrit, S. Schaltegger, M. Bennet, T. Pohjola & M. Csutora (Eds.), *Environmental Managment Accounting and Supply Chain Management* (pp.171-202). Dordrecht (etc.): Springer.

REDF (1999). *REDF Box Set: Social Purpose Enterprises and Venture Philanthropy in the New Millenium*. San Francisco, CA: REDF.

Refsgaard, J. C., Van Der Sluijs, J. F., Hojberga, A. L., & Vanrolleghem, P. A. (2007). Uncertainty in the environmental modelling process: A framework and guidance. *Environmental Modelling and Software, 22*(11), 1543-1556.

Sinnergiak Social Innovation(2013). *Regional Social Innovation Index. A Regional Index to Measure Social Innovation*. Bilbao: Basque Innovation Agency.

Spaapen, J., & Van Drooge, L. (2011). Introducing »productive interactions» in social impact assessment. *Research Evaluation, 20*(3), 211-218.

Taplin, D. H., & Clark, H.(2012). *Theory of change: A primer on theory of change.* Acknowledge, http://www.theoryofchange.org/wp-content/uploads/toco_library/pdf/ToCBasics.pdf.

Taplin, D. H., Clark, H., Collins, I., & Colby, D. C. (2013). *Theory of Change Technical Papers: A series of papers to support devlopment of Theories of Change based on practice in the field*. New York: ActKnowledge.

Trelstad, B. (2014). The Elusive Quest for Impact: The Evolving Practice of Social Impact Measurement. In L. M. Salamon (Ed.), *New Frontiers of Philanthropy. A Guide to New Tools and Actors Reshaping Global Philanthropy and Social Investing* (Chapter 22). New York: Oxford University Press.

Unceta, A., Castro-Spila, J., & Garcia Fronti, J. (2016). Social Innovation Indicators. *Innovation: The European Journal of Social Science Research, 29*(2), 192-204.

Von Hippel, E. (2007). Horizontal innovation networks by and for users. *Industrial and Corporate Change, 16*(2), 293-315.

WBCSD. (2008). *Measuring Impact Framework*. New York: WBCSD.

Zahra, S., & George, G. (2002). Absorptive Capacity: A Review, Reconceptualization, and Extension. *Academy of Management Review, 27*(2), 185-203.

CASE STUDY: I-DID

Introduction

The department of Work and Income of the city of Utrecht is responsible for the organisation of the social security and the reintegration of persons in need of social assistance into the labour market. Besides the regular reintegration programme, the department has started a number of pilots with social entrepreneurs in 2014. The purpose of these pilots is to develop new effective and efficient methods for reintegration. One of these pilots is «I-DID Slow Fashion Movement» (I-DID).

I-DID is a social enterprise which produces textile products from residual material. It sells textile products (e.g., bags) directly to consumers or via partners. These partners, e.g., Sissy Boy, often provide I-DID with residual materials as well. To make these products I-DID employs people for whom it is more difficult to enter the labour market. In this context it works together with Utrecht's department of Work and Income. The employees of I-DID receive a vocational training one day per week mainly to develop their sewing skills, and they work three days per week on textile products. The goal is to make the participants employable for a regular job and to reintegrate them on the labour market. For people on social assistance, it can be effective to get working experience in a 'real' company (instead of in a 'protected workplace). This can improve their self-confidence and self-efficacy). The program takes half of a year and, when successfully completed, the participants receive an official diploma (for sewing). Participants acquire general work experience so they could easier find a regular job. I-DID itself hires some of the participants after the training, because this social enterprise intends to grow. The municipality selects potential participants, funds the training and continues to pay the social security to the participants of the project (I-DID does not pay salaries).

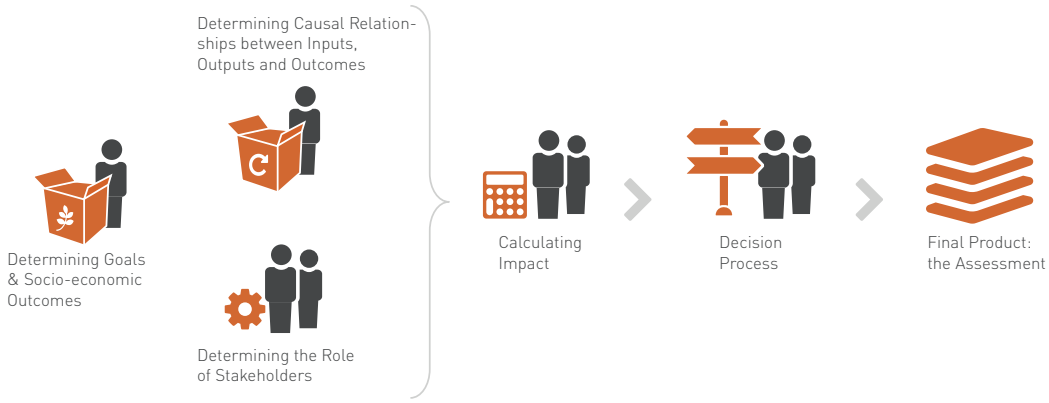
The city invests in I-DID and has a number of goals: experiment with new methods for reintegrating people who are on social security, reintegrate them into the labour market, support I-DID to make the social enterprise more independent and sustainable (so it can employ more vulnerable groups) and support social entrepreneurs in general.

The project was evaluated at the end of 2015. In 2016 the contract was renewed, but when this case study was conducted the results of 2016 were not measurable yet. The future of the cooperation between I-DID and the city is unclear. The pilot phase ends by the end of 2016 and the city wants I-DID to become more independent. Therefore, a

business case will be developed in 2016. If the results of 2016 are promising the city wants to continue the cooperation (however, that has to be in some other form). One possibility is to create a social impact bond. The other possibility is that the municipality continues to invest in training or continues to pay the social security; nonetheless, the costs for the municipality has to decrease or the revenues of the investments have to increase. Therefore, in this case study an ex-ante impact assessment (IA) is made with the aim to inspect the possible routes and their outcomes.

Ex-Ante Social-Economic Impact Assessment of Social Innovation

The following figure illustrates the process of conducting an impact assessment, as has been designed in the D7.1 report (Dhondt et al., 2016). For the different steps, we refer back to this report. This case study is structured according to the different steps in Figure 1. The ex-ante impact assessment (IA) is made from the perspective of the City of Utrecht with the aim to explore possible actions and the outcomes they could bring.



Annex Figure 1. The process of ex-ante impact assessment for social innovation

Step 1: Determining Goals

The first step of the ex-ante impact assessment is to determine the foreseen goals. For the I-DID it is intended to continue goals from 2014-2015:

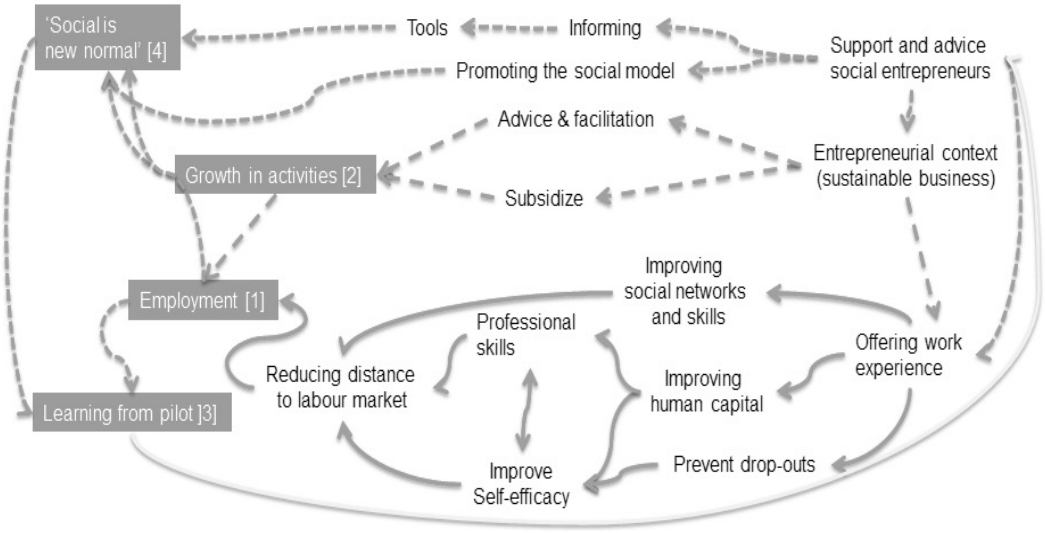
- [1] Employment. Make people who receive social assistance employable for a regular job or direct outflow to a regular job at I-DID or via the network of I-DID:
    - Acquiring work experience,
    - Make people fit for labour,
    - Acquiring vocational skills for the textile industry (sewing).

- [2] Growth in activities. Make I-DID more sustainable, independent and help it grow (so in the future more vulnerable groups can be employed at I-DID, the city can reduce its investments and/or the revenues of the investments increase).
- [3] Learning from pilots. Continue to work with different methods for reintegration: monitor, evaluate and compare their effectivity and efficiency. Continue to develop the way how the city should cooperate with social entrepreneurs (management by objectives).
- [4] Social is new normal. Stimulate the model for social entrepreneurship and (indirectly) the regional economy.

The aforementioned goals should be linked to actions and the needed input. This will be done in the next step of impact assessment – step 2.

Step 2: Causal Relationships between Goals, Actions and Inputs

The City of Utrecht has never developed an explicit Theory of Change for their actions. The current simplified map shows the main thoughts that are behind the investment.



Annex Figure 2. Theory of Change for the I-DID programme

The model shows the main objectives on the left side (see Figure 2; in red squares) and the main actions at the right (supporting social entrepreneurs in general and I-DID more specific and offering working experience). The sub-goals or more specific actions are deducted from the objectives and, with a backward procedure, connected to the main actions. This model helps the policymakers to see what has to be put in the contract with I-DID (i.e. what to require and expect) and to monitor the progress.

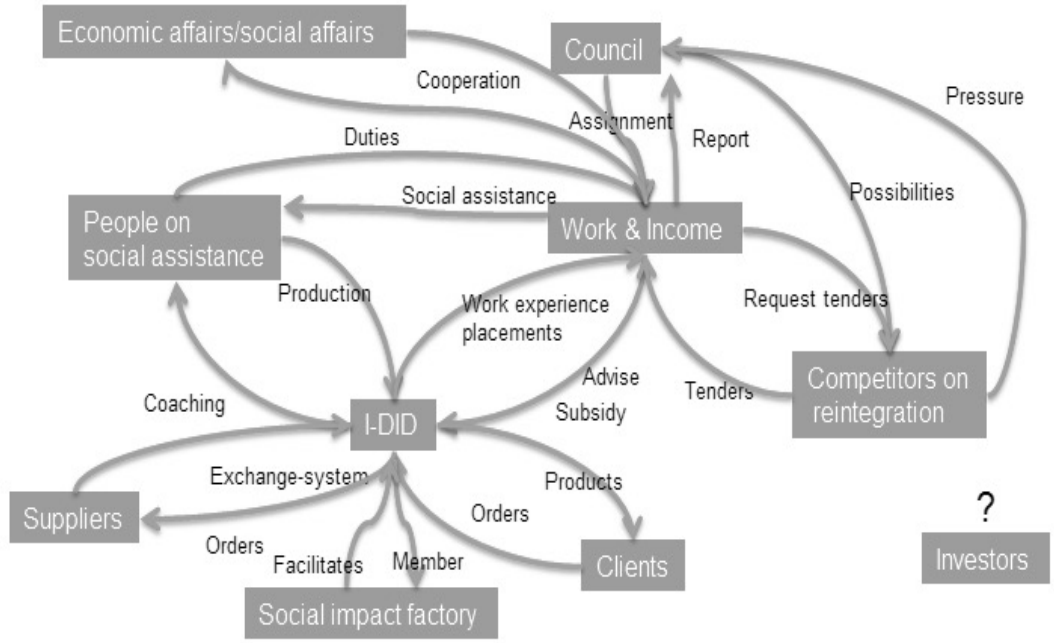
Step 3: Determining the Role of Stakeholders

When developing a Value Network Analysis (VNA), one needs to start with the stakeholders connected to the programme. In Figure 3, we identify the direct value that each of these stakeholders 'collects' from the programme. We have only focused on the most visible connections.

Stakeholders' list:

- People on social assistance
- Municipality of Utrecht:
    - City council, Mayor and Aldermen
    - Departments of Economic Affairs; Social development; (Environment and mobility)
    - Social Impact Factory (platform to facilitate social entrepreneurs, social investors and companies which want to increase their corporate social responsibility [CSR])
    - The department of Work & Income
- I-DID
- Clients and partners I-DID
- Competitors I-DID (reintegration)
- Suppliers
- External investors

In the figure below it is shown how those actors interact, what are their roles and tasks in the network.



Annex Figure 3. Value Network Analysis of the stakeholder network connected to the I-DID programme

The Value Network Analysis shows the complex relations the department of Work & Income needs to operate in to achieve its objectives. A lot of what affects this department (and I-DID as well) is not under their control. It is difficult for the policymakers to get an outright positive evaluation for their efforts, since every action is weighed among a lot of competing interests. This analysis helps the department of Work and Income to decide which partners have to be involved in actions and decisions. Furthermore, if the departments wants to change certain polices or forms of cooperation, the effects on other actors and their relationships could be estimated as well.

Step 4: Calculating Impact

The next step is to calculate the impact. This will be carried out by looking at the previous years' inputs and outputs, their analysis, and socio-economic outcomes, which focus on both, direct and indirect effects. The chapter will end with a proposal how to manage risks. Due to reasons of confidentiality, the numbers for the I-DID case are missing. Still the indicators show how a calculation can be performed.

Inputs: investments

In Table 1, an overview is given of investments made by the city. The costs have been calculated for the period 2014-2015, for the first 3 groups in the project. These figures shed some light on possible costs while calculating impact for 2017. We assume that the

cost structure for the program remains the same, however it is not yet decided which costs will be covered by the department of Work & Income.

Annex Table 1. Past and estimated future costs' structure for the I-DID

	Total:	€ XX
2014-2015	Costs training and coaching:	More than two-thirds
	Traveling expenses:	Limited costs
	Child care[10]:	Limited costs (subsidized by central government)
	FTE Municipality:	Roughly XX FTE
2017:	Costs training and coaching:	(a new agreement has to be made)
	Traveling expenses:	€
	Childcare:	€
	FTE Municipality:	€

Inputs 2017

The municipality would like to continue the cooperation with I-DID, if the results of 2016 will be promising. The cooperation will have to continue in another form, though. The pilot phase ends by the end of 2016 and the city wants I-DID to become more independent. Therefore, a business case will be developed in 2016. One possibility is to create a social impact bond. Some other possibility is that the municipality continues to invest in training or continues to pay the social payment, but in some way the costs for the municipality has to decrease and/or the revenues of the investments have to increase. The exact amount of funds which will be invested are not clear yet, a proposal has to be made in the second half of 2016.

Outputs

In the following box, an overview is given of the obtained outputs in the period of 2014-2015 (first three groups, one year of the programme). It is focused on a perspective of the participants.

[10] The department of Work & Income compensates some costs for child care, but most of the costs are subsidized by the central government.

Achieved results in 2014-2015

- XX participants have a regular job at I-DID for XX hours. Annual reduction of costs for municipality €XX
- XX participants have completed the training successfully & acquired a certificate
- XX participants can be matched to regular work
- XX participants can be matched to voluntary work (due to language problems)
- XX participants have dropped out, XX of which after the trial period

Proposal indicators for 2017

Results from 2014-2015 give an idea what are the possible outputs for the participants of the project. It also helps to identify possible outputs for 2017. Proposal indicators are given in the next table[11].

Annex Table 2. Proposal indicators for 2017

Outputs	Realisation 2014-15 (ex-post)	Ex-ante: 2017
Successful completion (diploma)	XX%	XX% (2017)**
Can be matched to regular work *	XX%	XX%
Outflow participants to paid work (for 16 hours)	XX%	XX% (2017)***
Sustainable outflow (4 years)	?	XX% ***

* Part of the participants was already «category 1, which means 80%-100% productive
** Goal is to reduce drop-out
*** For at least 28 hours a week (because that is approximately the amount of hours needed to be financially independent)

Input/Output analysis for 2017

The ex-post analysis of previous years' results delivers first building blocks to make an ex-ante assessment of the targeted social impact in 2017. One of the most important things in this situation is to start a discussion of what these targets should be, which direct impacts the city wants to be achieved and to think how this will affect the final outcomes.

[11] Based on interviews with the policymakers

Annex Table 3. Input/Output analysis for 2017

Costs	Realisation 2014-15	Ex-ante 2017
Per participant (all)	XX	
Per diploma (successful completion)	XX	
Per matchable person (regular work)	XX	
Per matchable person (regular and voluntary work)	XX	
Per person matched on regular job (16 hours)	XX	
Time needed to earn back the investment (if persons will keep a job)	10 years (XX / XX)	4 years*
* Therefore XX% of the participants have to get a job for XX hours		

For the 2017 programme, the financial investment of the city is unclear. I-DID and the city might create a social impact bond with other investors. If the city continues to invest the results have to increase. The amount of costs per unit (participant, diploma, etc.) are dependent on the amount of money the city wants to invest. We advise to decrease these costs per unit by reducing the investments and increasing the efficiency, which seems possible due to the fact that I-DID and the city have more experience with this method of reintegration.

If the city decides to invest, all these indicators can be used to define concrete targets. This procedure helps the city to start thinking which impact it wants to achieve, when they want to get the return on investment and/or what the impact may cost. By monitoring the input and output of other reintegration methods as well, the most effective and efficient method can be chosen. The social and economic impacts are described in the following chapters. These impacts can be considered in conjunction with the input/output analysis.

Socio-economic outcomes

Our starting point is that the following socio-economic outcomes have not all been explicitly mentioned by the policymakers in the project plans. For the purpose of impact analysis, we have identified all of them and try to see to which degree they are measurable.

An overview of outcomes is included in the next table which classifies these outcomes using two dimensions: the level they are focused at (micro vs macro) and the tangible-

intangible continuum. 'Micro' is interpreted at the project level while 'macro' is seen as the regional level.

Annex Table 4. Socio-economic outcomes

	Tangible	Intangible
Macro-level (regional economy)	Increasing the effectiveness and efficiency of the reintegration of persons on social support to reduce the unemployment level of Utrecht by means of private enterprises. Stimulating regional economy through support of social innovators like I-DID	Supporting producers to use environmental friendly production
Micro-level (project)	Reintegration of the participants on the labour market via I-DID Support from City of Utrecht to I-DID to become more sustainable and to survive as a start-up. Rising turnover for I-DID through 'free unskilled labour' and funds from the training	Improving Human and Social Capital of participants (professional skills, social skills, self-efficacy) Improving the capacity of the municipality to cooperate with social entrepreneurs to reintegrate vulnerable groups

Socio-economic outcomes 2014-2015

In the next table we have listed the different socio-economic outcomes connected to the I-DID programme. The direct impacts were indicated, and also the possible indirect impacts. For each of these outcomes we also discuss possible measurement issues.

Annex Table 5. Socio-economic outcomes 2014-2015

Type of effect	Direct	Indirect*	Measurement issues**
Increasing the effectiveness and efficiency of the reintegration of persons on social support by means of private enterprises.	Higher chances of getting relevant work experience and a real job compared to the regular training program of the social services because I-DID is a 'real' private company, the program is more intensive (more hours per week) and I-DID hires some of the participants to a regular job at I-DID directly after the program. The comparison with the regular program should be made on average cost per diploma, unit (e.g. FTE) of acquired work experience and per job found. The overall costs of I-DID were not measured prior to our case study and were difficult to gather. Furthermore the comparison with the regular	I = crowding out of other market initiatives; private company may teach wrong skills (which have little value on work on the labour market). Id = more public means for other policy goals and/or more effective reintegration programs, less (regional) unemployment, more economic	A = job chances can be influenced by many other factors. Support of private enterprises may affect support for public service, which may demotivate civil servants and strengthen effect (less support for public services). D1 = unclear if impact may have been idem with public service. D2 = social entrepreneur may claim more subsidies at the expense of public service and other private companies. D3 = possible that private entrepreneur does not continue effort or does not survive on longer term.

	reintegration program or other pilots was very complicated for this case study (the regular program is being transformed).	growth. Other cities can learn from the initiative as well and the effect may increase.	
Reintegration of the participants on the labour market via I-DID.	Out of the 34 participants, two persons have found a regular job for 16 hours a week at I-DID. 19 persons have obtained a diploma for sewing. 15 persons are estimated to be able to work at a regular work after completing the training.	Id = less health care costs. But impact will be minimal, because of low number of participants.	D2 = a displacement effect is possible. Other potential employees on the labour market could not been hired by I-DID because of the employment of the persons on social security which do not receive a salary from I-DID. D2 = The target to find regular jobs for a percentage of the participants for at least half a year, can have a negative influence to find 'real sustainable' jobs. After half a year a company can fire the former participant and hire a new participant.
Improving Human and Social Capital of participants (professional skills, social skills, self-efficacy).	The participants have developed professional skills and social skills during the program. The development of these skills was not measured specifically in the first three trainings. In 2016 this development will be measured by asking the I-DID coach. Self-efficacy is not measured. Improvement is not clear, yet.	Id = capability of participants to act and get other jobs should rise. Id = more social cohesion in the (regional) society.	A = other factors can influence the professional and social development of the employees, or could have been high before training. Not always clear. D1 = if human capital was high before, but vulnerable groups experience discrimination, then rise in human capital is just pick-up effect. D3 = if first groups consist of persons with higher human and social capital, then impact of training may drop-off.
Support from city of Utrecht to I-DID to become more professional and to survive as a start-up.	Next to support for engaging vulnerable groups, the City support I-DID with the development of a business case.	Id = support from City is free publicity for I-DID. It helps them to profile them among new customers.	A = the survival of I-DID is influenced by many other factors. The professional support from the City is still limited and I-DID is supported by much more consultancies. Professionalism may be attributed to other factors. D1 = impact does not arise during project, but was probably before project started.
Improving the capacity of the city to cooperate with social entrepreneurs to reintegrate vulnerable groups.	Due to the pilot the civil servants have gained experience with the cooperation with social entrepreneurs. The City has not evaluated the project from this perspective, but this will be done in 2016. The number of contracts with such companies should be rising.		A, D1 = The policymakers work with different social entrepreneurs and therefore the effect of I-DID is difficult to isolate. Other initiatives support social entrepreneurs, so rise of such companies may be induced by other actions.
Stimulating regional economy through	The impact on the regional economy should be measured by following economic growth in the region. This has not been tried and is difficult to	Id = companies may want to 'greenwash' themselves as	A = economic development is influenced by many other factors. D2 = by supporting social entrepreneurs, other employers might

support of social innovators.	assess because of limited size of the project and the possible size of impact. Supporting social entrepreneurs in the region is a secondary goal of the project but is not measured in the context of this project. It could be measured in the context of an additional project: the Social Impact Factory.	social entrepreneur to get (financial) support.	experience unfair competition and will not be able to grow as much as they could have and therefore hire less employees. D2 = capital invested in social entrepreneuring cannot be invested in possibly more profitable causes.
Supporting producers to use environmental friendly production methods.	This was a secondary goal for the policymakers and the effects have not been measured in the context of this project. The use of environmental friendly production methods could be measured in the region. The way to measure it would be to check if producers produce according to eco-friendly standards, and if these initiatives are growing through action of the City. I-DID is producing according to eco-friendly standards, since it is connected to MVO (CSR community) and to Circular Production. This is not due by the City policy.	Id = next to production, employees may become more eco-friendly too. Consumers may become more eco-friendly due to more choice in eco-friendly products.	A = governmental policies supersede City policies. Impact may not be related to City policies. D1 = eco-friendliness may already be in the policy of companies, so the eco-impact may not rise because of the City-policy itself.

*Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time)

** Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time)

Targeted socio-economic outcomes 2017

From the previous table we can identify which socio-economic outcomes should be targeted for 2017. The table below shows which outcomes are realistic and what should be managed to achieve the expected impact.

Annex Table 6. Targeted socio-economic outcomes 2017

Type of effect	Planned direct effects (indicators)	Managing indirect effects and measurement issues
Increasing the effectiveness and efficiency of the reintegration of persons on social support by means of private enterprises.	The tools for reintegration via social entrepreneurs and via the new developed regular program will be developed towards more mature instruments. A policy handbook should be made. The different tools will be monitored and evaluated. Integral costs and benefits of the tools will be calculated. A comparison can be made between the different instruments. The effectiveness of this method should be greater than traditional method (at least	I, Id, D2 = Crowding out can be checked with survey among competitors. I = The value of the skills acquired (general and specific for the job) are monitored. Id = Cooperate with other cities for dissemination and sharing the knowledge of pilots A, D1 = (Quasi) Experiments can be set up to compare this measure with public sector measures. Motivation of public servants should be monitored.

	for specific groups).	D3 = long term agreements should cover this effect.
Reintegration of the participants on the labour market via I-DID	The reintegration success rate of social enterprises should increase (and/or the costs should decrease). 80% of the participant should successfully complete the training and should be able to perform a regular job afterwards. 10% of the participants should directly be matched to a regular sustainable job afterwards for at least 28 hours at I-DID of via the network of I-DID. If the City will invest the same amount of money this investment needs to have a payback time of maximum 4 years.	Id = the health and health care costs of participants could be measured (e.g. via health insurance companies), although the effects are small and probably only occur on the long term. D2 = This is difficult to prevent. However, a goal of I-DID is to employ persons with a distance to the labour market, so it is not their intention to hire other target groups. And it is possible to monitor if the employers are not overcompensated for the low productivity of participants. Expert opinions can be used as well. D2 = monitor all former participants. Do they get 'real' sustainable jobs (more than half a year). Develop additional targets for the longer term.
Improving Human and Social Capital of participants (professional skills, social skills, self-efficacy)	80% of the participants who successfully completed the training should have sufficient professional and social skills to be able to work in a regular job. The professional skills are monitored by the coach of I-DID. Social skills and self-efficacy should be monitored as well and a more objective measurement tool could be considered.	Id = The motivation and capability to find other jobs could be measured. To measure the social cohesion and isolate the effect of I-DID is complex. The persons who participated in I-DID could be monitored after getting a job. A, D1, D3 = By measuring the development of the social and human capital during the training the effects of the training could become more clear. However effects of experiences in the private life of the participants are difficult to separate although some information could be gathered in that aspect as well.
Support from city of Utrecht to I-DID to become more professional and to survive as a start-up.	The City wants to make I-DID more independent from government funding. The indicator should be a profitable/cost covering business case for 2017.	Id, A, D1 = the business case should contain a clear exit strategy for the City: if I-DID is profitable or if it delivers a loss. The effects of the support for the survival of I-DID should be monitored in the internal evaluation of the city.
Improving the capacity of the municipality to cooperate with social entrepreneurs to reintegrate vulnerable groups	The model with I-DID needs to be evaluated in 2017, at the latest. Results should be transformed into a guideline for further projects. Growth of number of social enterprises offering services to train vulnerable people should grow.	A, D1 = In the evaluation of the role of the city the effects of working with I-DID can be made more specific.
Stimulating regional economy through support of social innovators	Increase activities of social entrepreneurs in the region. Number of supported social entrepreneurs should rise in the realm of the social services. Turnover related to social entrepreneurs supporting vulnerable people should rise.	Id = Clear norms should be developed to decide when a company is a social enterprise. A = Evaluation of the impact of the social impact factory and comparison with the development of social enterprises other regions without policies on social enterprise should give some insight. D2 = unfair competition is difficult to prevent,

		but it is important not to 'overcompensate' for hiring less productive employees. D2 = By comparing the different methods of reintegration in an experiment, the most effective and efficient method can be chosen.
Supporting producers to use environmental friendly production methods	Environmental friendly turnover of social enterprises should be calculated: the percentage of production should rise. Number of social enterprises with an MVO (CSR) or other certificate should rise.	Id = The influence of the environmental awareness of participant could be measured. The impact of the production of I-DID on the consumers is difficult to measure, although in an customer satisfaction research this aspect could be taken in account. A = Evaluate the environmental policies of the city and compare with other regions. D1 = In the evaluation of eco-friendly policies the effect of city policies on the decision of companies to choose a more eco-friendly production method can be measured

*Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time)

** Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time).

Risks connected to realisation of the outcomes in 2017

To achieve the outcomes that were listed in the previous section, it is necessary to foresee some risks connected to those outcomes and to project realisation. The following tables give an overview of the main, most salient risks and suggestions how to manage them.

Annex Table 7. Risks connected to realisation of the outcomes in 2017

Risks in reaching planned outcomes	How to manage them in 2017?
Outflow to regular work could be influenced by other factors (attribution). Outflow to regular work would have happened anyway, even without the project (deadweight)	Focus on the long term unemployed for which other instruments did not work. Monitor all people which are on social security and people who use the different methods / instruments to be able to compare large groups.
Opportunity costs. Funds invested in I-DID could have been invested in more effective initiatives (displacement)	Make it possible to compare initiatives, limit the duration of cooperation.
Investments in I-DID reduces the chances of other potential employees (displacement)	Monitor if the employers are not overcompensated for the low productivity of participants. Expert opinions can be used as well.
Effects of I-DID decline because the company cannot grow and hire more people continuously (drop off)	Monitor effects, monitor market on which I-DID operates. Adjust targets and business case for the city.

Annex Table 8. Risks connected to the project and its outcomes in 2017

Project risks	How to manage them in 2017?
I-DID is not able to attract big clients (e.g., IKEA)	Monitor and evaluate business plans I-DID.
Drop-out has a negative effect on self-efficacy of participants	Manage on reducing drop-outs.
Insufficient interest of people on social security to participate	Make it more attractive, offer different forms, obligatory participation?
Usefulness of sewing skills and diploma on the labour market is limited.	Monitor outflow. Is it sustainable? Do former participants continue their career at other employers after I-DID?
Political support, incidents, no short term success	Manage relation with council.
Many aspects can be monitored, but this will be expensive and it can be a burden for the respondents or violate privacy rights (health care for example).	Prioritize most important outputs and outcomes and cooperate with other stakeholders in the monitoring.

Step 5: Decision Making

In the previous sections different steps have been listed and described. In those steps the material for the decision makers at the department of Work & Income was prepared to come to a conclusion. In this step, the stages in the decision process are identified and the actions towards important stakeholders are proposed:

- Steps to take together with I-DID
  - Business case for the city and I-DID are being made (also input for other bullets). Second half of 2016
  - Explore possibilities of finding other funds (with business case)
- Internal decision making at the department of Work & Income
  - Internal evaluation by the city (including the role of the city). Second half of 2016.
  - Determine on which date the City has to know if/how to continue in 2017. If that date is not doable, then we need to think of a solution how to continue the cooperation until the date we think is feasible for a new form of cooperation, based on the business case.
- Steps to take together with the council
  - Report 'successes' and lessons learned

- Connect to political goals

› Drafting year plan for 2017 and contract with I-DID
  - Components: inputs, outputs, indicators (short and long term)
  - Social and economic outcomes
  - Types of financing

Connection to other projects with social enterprises and the regular reintegration program.

Step 6: Impact Assessment

The following points summarise the impact assessment, provides advice for improvement for the impact assessment and provides advice for the other actions to be taken:

› ***Starting point:*** The city has not decided yet how to continue. With the impact assessment this decision-making process can be improved. With the I-DID-project the city can continue to support employment of vulnerable groups and stimulation of social entrepreneurs. Furthermore, the project has effects on human, social and environmental capital.

› ***Current ex-ante impact assessment needs to be improved***
  - Causal map/theory of change: Causal map needs to be made more specific and the causal map of I-DID needs to be incorporated (for example: how to reduce drop-outs).
  - Value network analysis: roles and interest have to be made explicit.
  - Impact: indicators need to be specified and have to be made comparable to indicators to other reintegration methods.
  - Impact: Results of other reintegration methods have to be monitored and compared with I-DID.

› ***Formulate & monitor specific targets.*** Important is to formulate specific targets, monitor that these targets are achieved, and define consequences for achieving of not achieving the targets. The desired socio-economic outcomes (related to these targets) have to be defined and monitored as well (see next bullet). The analysis has shown which input/output-results can be used for evaluating the continuation of the IDID-project and future social enterprise projects for helping vulnerable groups in 2017 and further. The current evaluation (2014-2015) shows a limited impact of the I-DID project to achieve sustainable employment possibilities for vulnerable people on social support. This effort should rise in 2017.

› **Monitor socio-economic outcomes.** Socio-economic outcomes have to be monitored as well. Seven socio-economic outcomes have been identified. Because these data have not been collected to the current date, it is not yet possible to give a clear estimate of which socio-economic impact can be achieved. A baseline has been formulated for each of these

outcomes. Monitoring all possible socio-economic effects as described in Table 6 is impossible (and too expensive), so a selection has to be made and the department of Work and Income should cooperate with other actors (see value network analysis).

- ***Multi-criteria decision making.*** The important decision is to create a measurement framework to follow the outcomes. Next to the criteria, the city of Utrecht should think about how to decide on the complete set of outcomes. This can be done by using a weighting procedure for the outcomes selected. The weighting can be used to help assess the importance given to the indicators. This process can be sophisticated, but one should always remember that these indicators represent (sometimes) conflicting values. Classifying and ranking these values may also be the result of a political process. It is up to the City Council and management of the departments to make explicit which values are more or less important.

Step 7: Multi-Criteria Decision Making

The following figure connects possible outcomes to the inputs and outputs, and to the decision process with indicators, a weighting and ranking procedure (these procedures are not described here).

Possible outcomes	Indicator	Weights	Ranking
Increasing the effectiveness and efficiency of the reintegration of persons on social support by means of private enterprises.	Net-effective result of measure	Weighting procedure	Ranking procedure
Stimulating regional economy through support of social innovators	Number of social enterprises in the region; turnover; growth		
Supporting producers to use environmental friendly production methods	Growth of certificates; growth of EF-turnover		
Reintegration of the participants on the labour market via I-DID	Reintegration success rate; payback time of subsidy		
Support from city of Utrecht to I-DID to become more professional and to survive as a start-up.	Existence of business case		
Improving Human and Social Capital of participants (professional skills, social skills, self-efficacy)	Reintegration success rate; number of diplomas		
Improving the capacity of the City to cooperate with social entrepreneurs to reintegrate vulnerable groups	Number of successful cooperation with social entrepreneurs; new regulation		

Annex Figure 4. Weighting and Ranking Procedure

CASE STUDY: LEFC

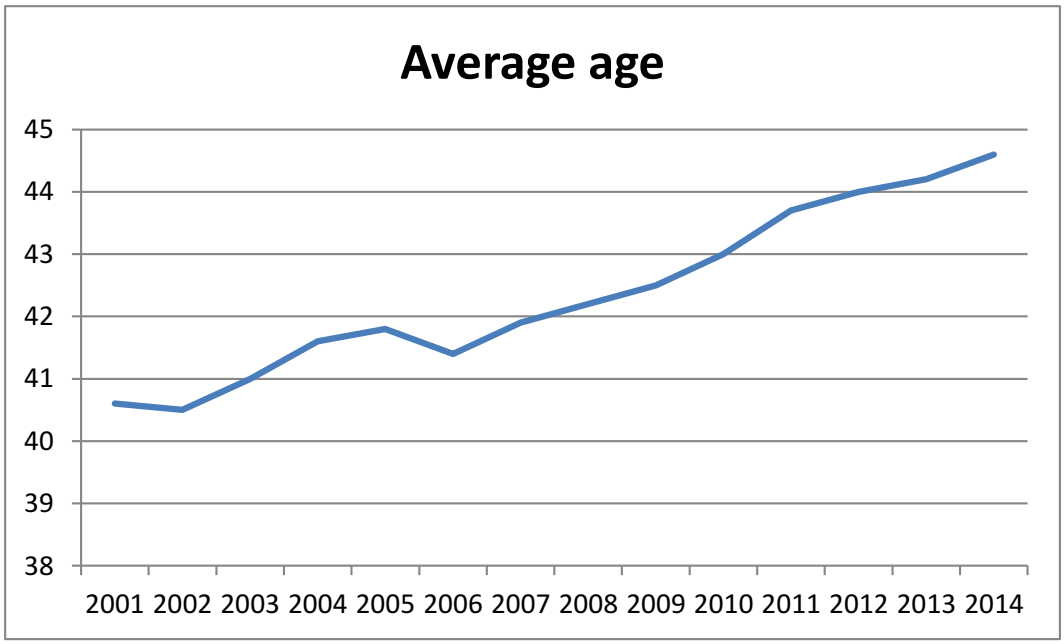
Introduction

In this chapter, we are looking at the Case study of the Dutch Labour & Education Fund of Dutch Communes (LEFC), the programme on 'Master at your work'. The LEFC develops different measures to help change Dutch communes, organises projects to achieve this overall goal or funds projects that other organisations conduct. The projects should not overlap with 'normal consultancy' and should help improve the service levels of communes towards the Dutch citizen. The LEFC case is interesting for the SIMPACT project for the following reasons:

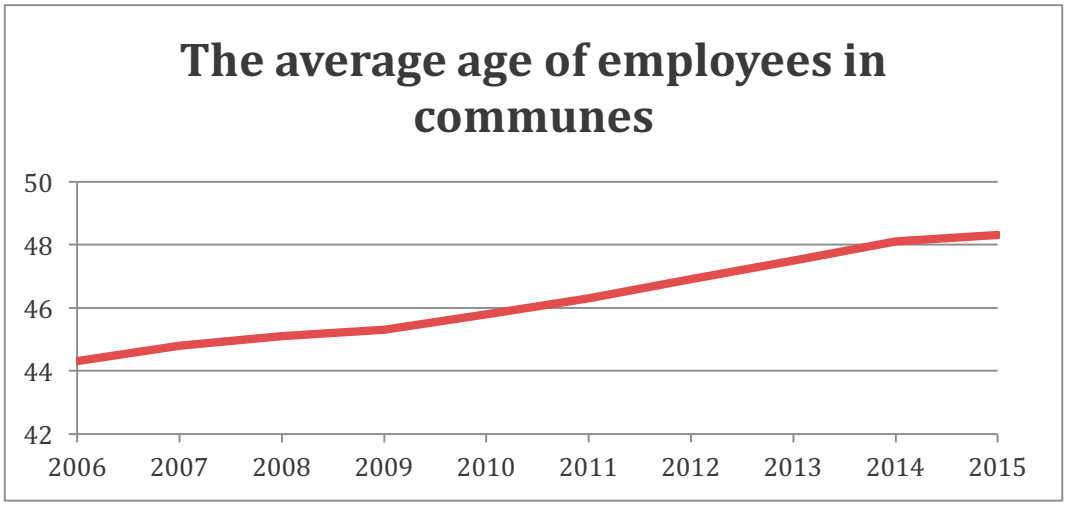
- The LEFC acts as a part-investor, part manager of activities to help improve Communes. This means that the LEFC fits our profile as a platform for change in Dutch Communes.
- The focus group for the LEFC are Dutch civil servants in the Communes. Since the LEFC needs to focus on those activities that are not covered by consultancies or the communes themselves, a lot of the projects of the LEFC tend to be directed at possible marginalized groups within the Communes. For our project, the focus is on older civil servants who can lose their jobs because of skills obsolescence.
- The LEFC tries to develop methods which are then transferred to either communes, either 'market' (i.e. consultancies, etc.).

In this case we focus on one particular programme line and try to identify how the LEFC can learn from a more systematic treatment of socio-economic outcomes in its decision making. Currently LEFC has limited experience with the ex-ante assessment of their programmes. The end result of this case study is a piece of advice to the LEFC for its (part) programme for 2017.

In the »Master at your Work» project, the eventual goal is to make the ageing civil servants of communes aware of their need to invest more into their competencies. They should improve themselves, or possibly look at other jobs within the communes (i.e. horizontal mobility). The Dutch Communes have an ageing work population. Figure 5 shows the rising average age of civil servants in the whole Dutch public sector and Figure 6 illustrates how the average age is increasing in communes.



Annex Figure 5. Average age of employees in the Dutch public sector (Communes are part of it) (source: Statistics Netherlands-website).



Annex Figure 6. The average age of employees in communes (source: De Stichting Arbeidsmarkt en Opleidingsfonds (A+O fonds) Gemeenten website).

It is important for the Communes to pay more attention to the knowledge and skills development of the older workers, mainly in respect to new tasks. The LEFC has developed over the years a set of projects to tackle the issue of an ageing workforce and skill development. The first projects to support this outcome started in 2014. First, four activities were initiated. After some time, those activities were replaced with a new (different) set of measures. These changes were accepted by the Board of the Fund, but

the changes meant that the initial plan was partly abandoned. An ex-ante assessment could have helped the Fund to foreseen the outcomes and adjust the plan beforehand. In this way the goals could be reached more efficiently and there would be less changes in the programme.

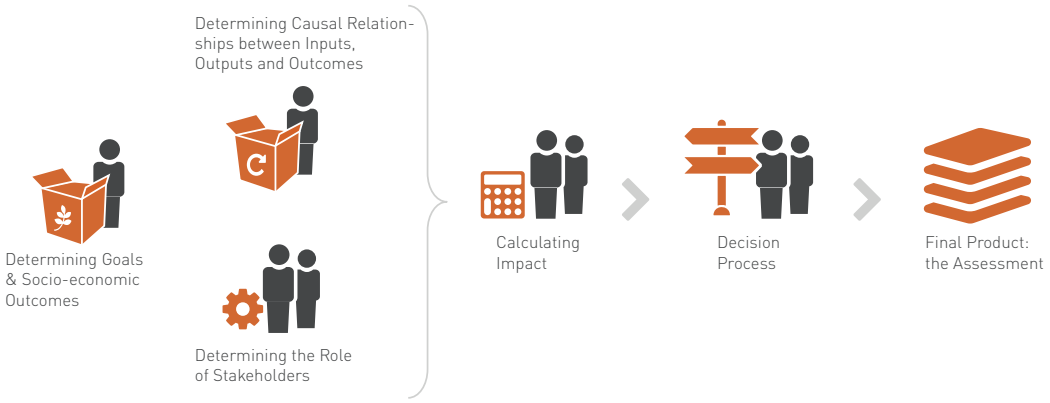
There were two initial objectives of the programme: *setting the agenda of the communes* and *informing and activating civil servants*. The first objective's direct impact can be measured by the number of communes that eventually change their agenda to contain the core ideas the Fund is proposing. For our measurement objective, we need to find out which activity delivers the most impact with least investment costs. The expected indirect impact is the development of programmes within the communes to support skills development in the communes, focused on elderly workers.

The second objective is to inform and activate the civil servants. The direct impact is the number of civil servants informed and the increased engagement of the civil servants. The expected indirect impact is the number of civil servants that can keep their jobs in the long term.

For the 2017 programme, it is still unclear what the contours of this programme will be. For the ex-ante impact evaluation of the programme, the decision is to start from the position that the programme will be continued, and try to see which measures deliver the biggest social and economic impact. The result helps the Board and Stakeholders of LEFC to select among options and to decide if more money should be invested, which type of impact is needed and/or what changes should be applied to the programme.
Our material consists of several interviews with the LEFC employees (director; project manager), the yearly reports and several internal reports from the LEFC. The final results have been put forward to the LEFC for a final check.

Ex-Ante Socio-Economic Impact Assessment of Social Innovation

The following figure illustrates the process of conducting an impact assessment, as has been designed in the D7.1 report (Dhondt et al., 2016). For the different steps, we refer back to this report. The ex-ante impact assessment helps to prepare for the final decision making about which actions should be taken.



Annex Figure 7. The process of ex-ante impact assessment for social innovation

In this case study, we focus on the Programme Plan 2017 for «Master at your Work». This plan will be built upon the plan of 2016, with some further updating and support. This report is structured according to the different steps in Figure 7.

Step 1: Determining goals

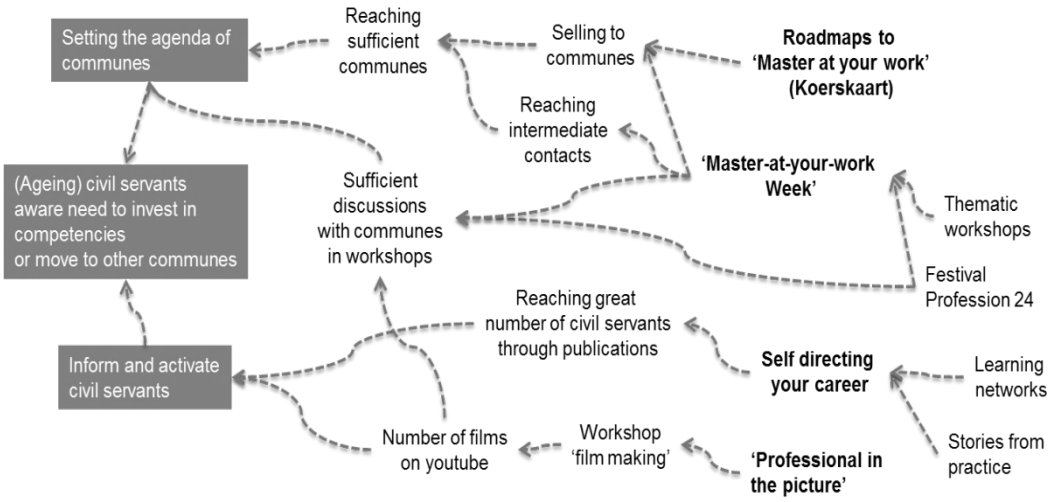
Our first step is to identify the main goals for the programme for 2017. In discussion with the LEFC, we identified the following objectives:

- ***Main objective:*** make the ageing civil servants aware of the need to invest more into their competencies. They should improve themselves, or possibly look at other jobs within the communes (i.e. horizontal mobility).
- **Setting the agenda of the communes.**
    - The direct impact that stems from setting this goal can be measured by the number of communes that eventually change their 'agenda' to contain the core ideas the Fund is proposing. For measurement purposes: we will look at which activity delivers the most impact with the least investment costs.
    - The expected indirect impact is the development of programmes within the communes to support skills development in the communes, focused on elderly workers.
- **Inform and activate the civil servants.**
    - The direct impact is the number of civil servants informed and the increase of engagement of the civil servants.
    - The expected indirect impact is the number of civil servants that can keep their jobs in the long term.

It is now of high importance to link these objectives to the (current and future) activities of the LEFC.

Step 2: Causal Relationships between Goals, Actions and Inputs

Together with the LEFC we have co-developed a Theory of Change for the Master at your Work programme 2017 (see Figure 8). The idea is to estimate how the objectives will be achieved starting from the 4 different programme lines: 1) Roadmaps to «Master at your work», 2) «Master at your work week», 3) Self-directing your career, and 4) Professional in the picture (civil servants making videos about their own profession).



Annex Figure 8. Theory of Change for the Master at your Work programme 2017

The LEFC has never developed a Theory of Change for their actions. The current simplified map shows the main thoughts that are behind the programme. It helps to identify the main indicators the LEFC is working on.

The model shows the main objectives on the left side (see Figure 8; in red squares) and the 4 main projects on the right (in bold). The sub-goals or actions are deducted from the objectives and with a backward procedure connected to the main projects. This model guides the project managers in deciding what to put in the separate project plans and helps to monitor the progress. The four programme lines in bold are the current action lines. The projects at the right of them are older, not continued programme lines.

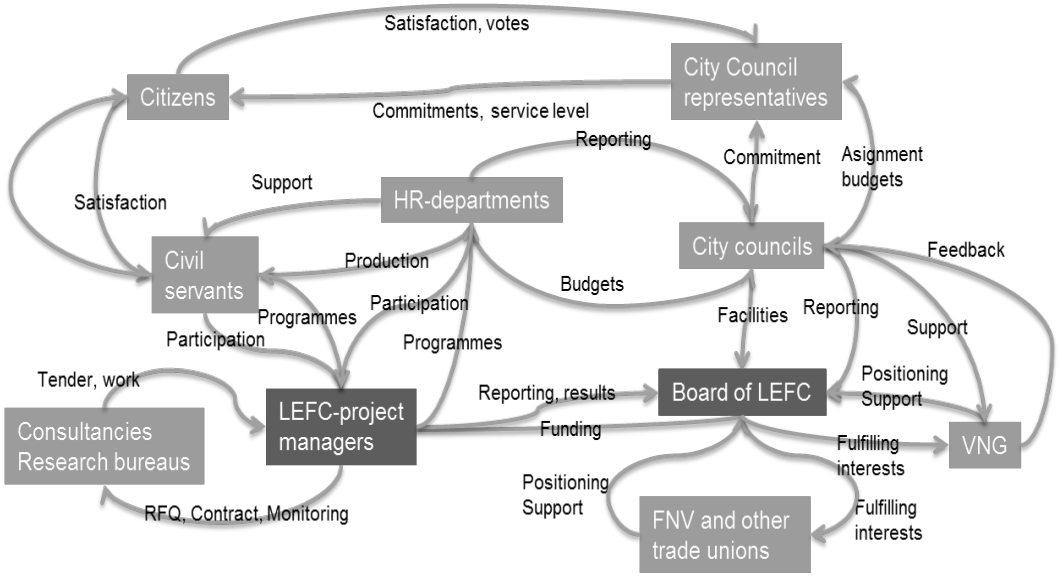
Step 3: Determining the Role of Stakeholders

In developing a Value Network Analysis, it is important to start with the stakeholders connected to the LEFC programme. In Figure 9, we identify the direct value that each of these stakeholders 'collects' from the programme. We have only focused on the visible connections.

- LEFC:
  - Board: the Board decides on the programmes and monitor the progress through periodic reports.
  - Project managers: they are responsible for setting up the programmes and subsidies for consultancy and research bureaus.
- Citizens: citizens should be the final beneficiaries of the projects, i.e. getting better customer service.
- (Ageing) civil servants in communes: they are the main target group of the programme.
- Communes:
  - City Council boards: the political officers decide the policies for the communes.
  - City Council representatives: the representatives vote on the policies proposed.
  - HR departments: HR managers translate the policies of the LEFC into personnel policies for the civil service. HR are connected with the operational units of the Commune Civil Services through guidelines or advice.
- Social partners
  - VNG: the employers' association of Dutch communes.
  - FNV: the largest Dutch trade union.
  - Other trade unions.
- Others:
  - Dutch Ministry of the Interior: the communes try to align their policies in line with what the Ministry does. For example, the programme is related to the Public Service Day organised by the Ministry.
  - Dutch water boards (Dutch: Waterschappen): Dutch water boards cooperate with the Communes regarding the personnel policies.
  - Provinces: the Provinces cooperate with the Communes regarding the personnel policies.
  - Consultancies and research bureaus: part of the programme is subcontracted to such organisations. Those organisations are responsible for their offers and for fulfilling the requirements made by LEFC.

The Value Network Analysis (VNA; Figure 9) shows the complex relations the LEFC is related to while achieving its objectives. A lot of what affects the LEFC is not under control of its managers or the board. It is difficult for the LEFC managers to get an outright positive evaluation for their efforts, since every action is evaluated from standpoints of competing interests. In the VNA it can also be seen that the end consumer

of the results of the programme are the Citizens. The Citizens will probably only experience results from the programme in a very indirect way, going through the commune policies and what civil servants experience.



Annex Figure 9. Value Network Analysis of the stakeholder network connected to the LEFC programme

Step 4: Calculating Impact

This section gives an overview of the impact analysis. We start with describing the main instruments of the programme: investments and projects. We describe the outputs the LEFC is trying to achieve. Next, these inputs and outputs are integrated into an indicator set for the LEFC. It shows what is achievable and what should be the targets for 2017. Further analysis is focused on the potential socio-economic outcomes of the programme. This analysis is focused on delivering a set of outcomes for 2017, trying to estimate the direct and indirect effects. Measurement issues are discussed with respect to each of these outcomes. The section ends with a risk management plan for the LEFC to achieve these outcomes.

Inputs: investments

In the following table, an overview is given of investments made by the LEFC. There are the direct project costs which are spent in the projects (i.e. covering activities, rental and other costs). There are also the costs connected to the LEFC project managers to support the activities in the programme. The costs have been calculated for the period 2014 and 2015. The cost overview for 2016 was incomplete and could not be included in the data. The figures for 2014/2015 give the input for calculating possible costs for 2017. We

assume that the cost structure remains the same. We estimate the costs of a full-time equivalent programme manager at 75.000 €.

Annex Table 9. Past and future project costs of the programme «Master at your work»

	Total:	
2014-2015	2014: 170.000 €;	2015: 180.000 €
Programme costs:	2014: 125.000 €;	2015: 135.000 €
FTE guidance by LEFC:	45.000 € per year (0,6 FTE* € 75.000)	45.000 € per year (0,6 FTE* € 75.000)
2017	2017: 235.000 €	
Programme costs:	2017: 160.000 €	
FTE guidance by LEFC:	75.000 € per year (1,0 FTE* € 75.000)	

Table 9 shows that the expectation[12] is that the costs will rise significantly in 2017.

Inputs: programme lines 2014-17

The programme lines 2017 will continue the projects of the past. The content of the projects is listed below:

- *Roadmaps to 'Master at your work' (Dutch: Koerskaart):* in a set of workshops, a small group of civil servants discuss the professional skills and skills development within their trade. The Roadmap shows which steps are needed to keep up the skill and professional levels. The advice given during these workshops is personal.
- *Master-at-your-work week:* this is a weeklong event of workshops and discussions at several communes. Civil servants are able to show their professional skills to the main intermediate contact persons (often HR-professionals) of the LEFC. The goal is to make these contact persons interested in the concepts of the programme and to make them advocates of the programme.
- *Festival Profession 24:* this 24 hours event was aimed at creating a lot of buzz on the subject of professional civil servants at work. The exposure was big, but the participants were not always the target group of the event. The Festival was discontinued.
- *The Professional in the Picture (Making videos):* 24 small movies have been developed to show what kind of jobs civil servants are doing. The focus is on the professional skills needed to do the job. The project consists of finding civil servants in different roles and helping them to make a movie on their job. The movies are promoted on different websites, e.g., YouTube.

[12] Based on interviews with LEFC program manager

- *Self-directing your career:* this project is not in the core of «Master at your work», but is aligned with the programme. This project consists of a self-help tool on the internet for civil servants. The content is aligned with the Roadmaps and Videos.

For the plan 2017, the idea is to continue these action lines. Possibly a new action line will be added: a certification process for customer managers. This would be a subsidy line, while the other projects are conducted by the programme managers coming from the LEFC.

Outputs 2014-2015

In the following box, an overview is given of the obtained outputs in the period of 2014-2015.

Achieved results in 2014-2015

- Reach of number of communes:
  - Per programme: (1) Master-at-your-work week (MIJW) – 70 communes per year (CPY); (2) Roadmaps to 'Master at your work' (Roadmaps) – 55 CPY; (3) Festival Profession 24 (Festival) – 40 CPY; (4) The Professional in the Picture (Making videos) – 7,5 CPY.
  - Total: Some 172 communes were reached by the programme. However, this does not mean that communes changed their agenda. This was the objective, but it was not measured. This should be measured in the future. The communes with Roadmaps can be called activated communes.
- Reach of number of persons (informed):
  - Per programme: (1) Making videos – 2600; (2) Master-at-your-work week – 1600; (3) Roadmaps – 344); (4) Festival – 150.
  - Total: 4700 civil servants informed.
- Reach of number of persons (activated):
  - Per programme: (1) Master-at-your-work week – 100; (2) Roadmaps – 80; (3) Making videos – 30, no information on Festival.

Total: 218 or more civil servants activated

Proposal for indicators for outputs 2017

The material for 2014/15 helps us to give a first estimation of the direct outputs for 2017. We have set the expected outputs at the minimum level of what was reached in years 2014 and 2015.

Annex Table 10. Proposal for indicators for outputs 2017

Outputs	2014-2015	Proposal 2017
Reach of number of communes	172 of 430 communes	172+
Number of communes activated (policy changed)	Maximum 55 (the exact number is not known)	55+
Number of civil servants informed	4698	4700+
Number of civil servants activated	218	218+

Input/output analysis for 2017

The ex-post analysis delivers some building blocks to make an ex-ante assessment of the targeted social impact in 2017. It is important for the Fund to start a discussion of what these targets should be, which direct impacts should be achieved and to think what this means for the eventual outcomes. For the reporting, the fulfilment of past objectives should be monitored.

Annex Table 11. Input/output analysis for 2017

Euro per:	Realisation 2014-15 ('ex-post')	Ex-ante 2017
Euro per commune	Roadmaps – 200 euro Festival – 300 euro Master-at-your-work week – 643 euro Videos – 6667 euro	Reduction of current cost per commune, per measure
Euro per informed civil servant	Videos – 19 euro Master-at-your-work week – 28 euro Roadmaps – 32 euro Festival – 80 euro	Start from 19 euro per civil servant
Euro per activated civil servant	Roadmaps – 125 euro Master-at-your-work week – 450 euro Videos – 1667 euro Festival – no information	Start from 125 euro per civil servant

For the ex-ante impact assessment of the 2017 programme, we have suggested to use the lowest costs per informed or activated civil servant/commune. The LEFC Board can make decisions about how to proceed with the different programme lines using that data. This procedure helps to indicate which projects deliver maximum impact for the lowest costs; also the costs of different measures can be easily compared. The social and economic impacts are described in the following parts of the report. These impacts can be considered in conjunction with the input/output analysis.

Socio-economic outcomes

The previous section was focused on direct outputs. In addition to them, we need to look at the possible socio-economic outcomes the LEFC is aiming for with its programme. So far socio-economic outcomes have not been identified by the LEFC andthey are not used by the LEFC in their decision making processes. For our purposes, we have identified them and try to see to which degree they are measurable.

An overview of outcomes is given in Table 12 which classifies these outcomes using two dimensions: the level they are focused at (micro vs macro) and the tangible-intangible continuum. Micro is interpreted at the organisational level, and macro is seen as the labour market or all of the Communes. For the tangible-intangible discussion, we have taken the position given in the D7.1 report (Dhondt et al., 2016) that investors/innovators such as LEFC have contending value systems of which the exchange value form is the easiest to monetize. The left part of Table 12 is focused on economic gains but we need to also take into account cultural, political and social gains that everyone acknowledges. The right side of Table 12 focuses on valuable yet intangible results: increasing utility of organisations/communities, increasing relational goods (trust, cooperation, solidarity, etc.), increasing dignity (inclusion, self-regard, well-being).

Annex Table 12. Socio-economic outcomes

	Tangible/Monetary	Intangible/Non-monetary
Macro-level	How public budget (i.e. communes budgets and also tax income and pension costs) can be affected by improved skills (or lack thereof) of the ageing civil servants	Improved relations between social partners in the Communes Satisfaction of citizens/customers with services at the communes Improved intergenerational solidarity among civil servants
Micro-level	Retaining employment level of older workers by improving skills Retaining income level of older workers by improving skills and thereby their productivity New services of communes: keeping funding for services intact	Trustful relationships between employees and employers secured Satisfaction of older workers with new development possibilities Well-being of older workers improved

Socio-economic outcomes 2014-2015

In the next table we have listed the different socio-economic outcomes connected to the LEFC programme. The results for the period 2014-15 were produced and calculated as much as possible. We indicated the direct impacts we could see, and also looked at possible indirect impacts. For each of these outcomes we also discuss possible measurement issues.

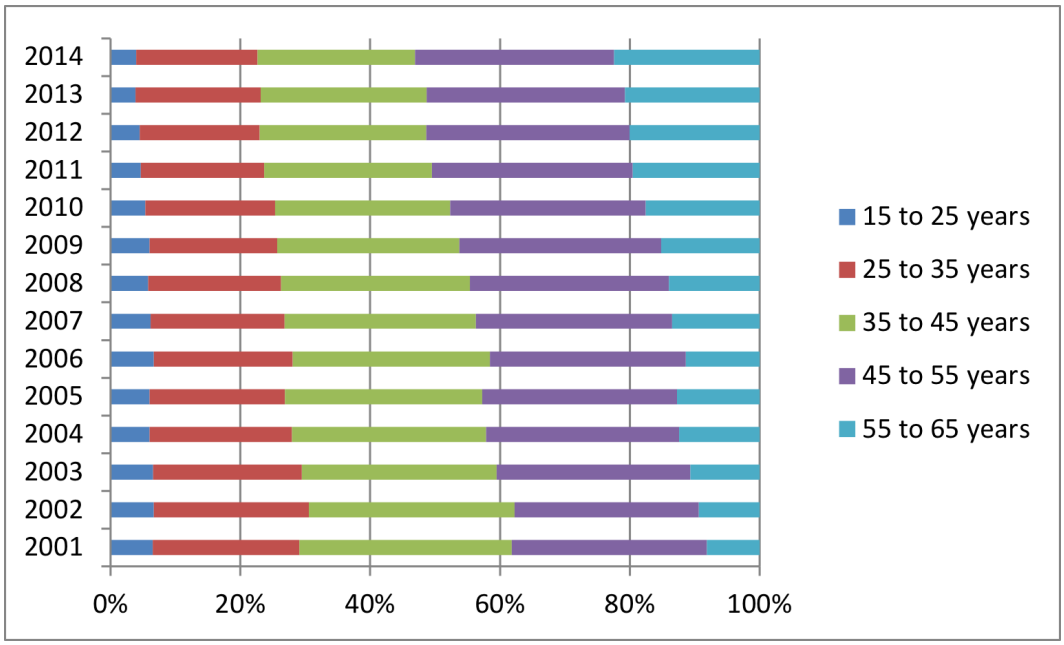
Annex Table 13. Socio-economic outcomes 2014-2015

Type of effect	Direct	Indirect*	Measurement issues**
How public budget (i.e. communes budgets and also tax income and pension costs) can be affected by improved skills (or lack thereof) of the ageing civil servants	Higher productivity of (ageing) civil servants can help to make public services more effective. This can help communes to deal with austerity.	I = non participating communes in LEFC programmes can copy the measures. This impact is unobservable. Id = retaining more skilled (older) workers helps prevent firing and unemployment costs for communes. Dy = not applicable.	A = higher productivity can also be achieved by other measures such as new organisational practices. D1 = future rise in productivity depends on interventions such as the programme. Otherwise, no growth can be expected. D2 = displacement effects are not to be expected. D3 = once it has been improved, the question is if professionalism can further rise. Stability of employment is possibly the most direct option. Drop off effect is not likely for the programmes: rather, the impact can only stay if the programmes are continued over the long term. The main reason for this is that skills continue to change.
Retaining employment level of older workers by improving skills	The direct impact of the LEFC programme is no job loss on the short and long term for ageing civil servants. This outcome is not identifiable in general employment statistics. It has not been measured in the different communes, and would be problematic because of the short project period. Figure 10 and Figure 11 show the rise of employment of older civil servants in general in the public sector. Employment levels may also be constant because of more mobility of civil servants between communes. This is also not observable. Other direct effect is the number of communes that are starting to offer	I = non participating communes in LEFC programmes can copy the measures. This impact is unobservable. Quality of work could rise for older workers. Id = retaining more skilled (older) workers helps prevent firing and unemployment costs for communes. Dy = not applicable.	A = other measures such as the new pensioning age and the abolition of the pre-pensioning schemes cause the rising participation rate of older employees. D1 = future rise in employment rates of older employees depends on interventions such as the programme. Otherwise, no growth can be expected. D2 = it could be that policies focused on older workers, lead to unemployment of younger workers. This seems to be the case in the following graphs: groups under 35 years are shrinking in relative and absolute size. D3 = once it has been improved, the question is if professionalism can further rise. Stability of employment is possibly the most direct option. Drop off effect is not likely for the programmes: rather, the impact can only

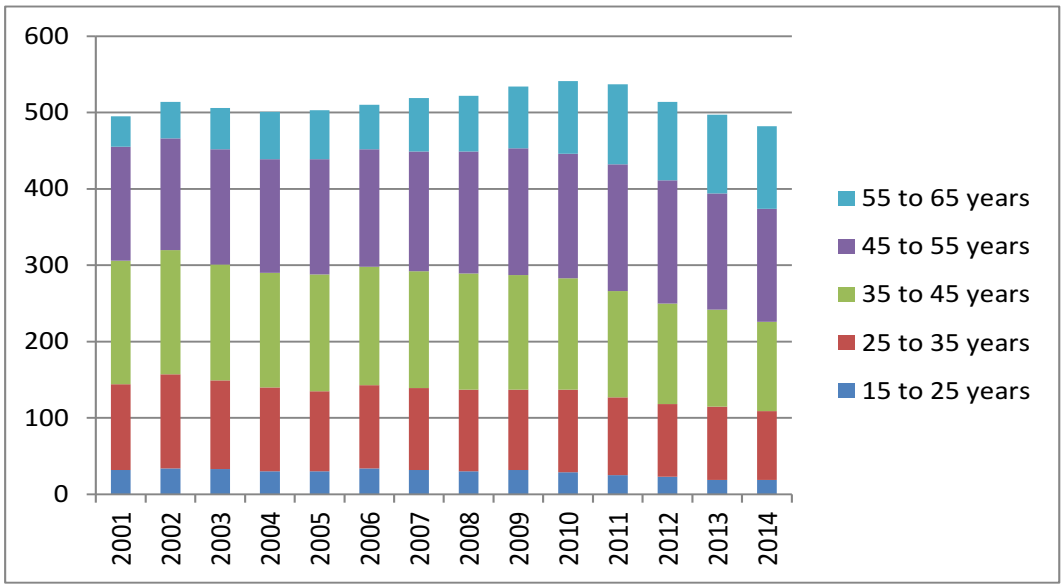
	interventions to keep older workers in jobs because of their updated professional skills. There is no indication that this happened. For all outcomes to take effect, it is required that civil servants follow training and workshops. This is not visible according to our contact. Mobility of civil servants will probably not rise because of lacking support measures. The number of civil servants can grow or remain stable: but no goal has been formulated.		stay if the programmes are continued over the long term. The main reason for this is that skills continue to change.

*Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time)
** Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time).

The following graphs are based on general statistics from Statistics Netherlands (SN). SN only provides data for all public servants, civil servants of communes are part of them and cannot be distinguished. The statistics show that average age of civil servants and employees in Communes (Figures 10 and 11) has been rising considerably over last 15 years. The share of employment of older workers has risen. This would seem to show that the actions of the LEFC are successful. However, most of this growth can be attributed to general governmental actions such as rising the pensioning age to 65, abolishing the pre-pensioning schemes, and ageing society as well.



Annex Figure 10. Age-composition of employment of civil servants in the Dutch public sector (source: Statistics Netherlands, website).



Annex Figure 11. Age-composition of employment of civil servants in absolute figures (source: Statistics Netherlands, website).

Annex Table 14. Socio-economic outcomes 2014-2015

Type of effect	Direct	Indirect*	Measurement issues**
Retaining income level of older workers by improving skills and thereby their productivity	No general statistical data is available to analyse this effect. Anecdotal data shows that wages in the public sector do not rise after 40-years-of-age. The current picture is that wages in the public sector have remained stable for older civil servants (Dhondt e.a., 2011). The programme cannot have a visible impact on these wages in the past years. As long as productivity remains intact, income should remain unaffected.	I = non participating communes in LEFC programmes can copy the measures. This impact is unobservable. Quality of work could rise for older workers. Id = higher skill levels help higher productivity. The impact will not be visible at the level of the sector, maybe not even at the commune level. Dy = not applicable.	A = unmeasurable. Collective agreement imposes wage levels. Only by changing qualifications could there be a wage rise. Demotion policies may affect wage level of older workers. This requires new personnel policies. Better mobility opportunities should imply better jobs and higher wages. D1 = impact cannot rise from itself. Employees will not improve professionalism by themselves. D2 = it could be that policies focused on older workers, lead to unemployment of younger workers and lower wages for this group. But again: collective agreements regulate wage levels. D3 = if programme is discontinued, then wages may drop again. Impact of programme is needed to keep levels of wages at minimum same level. No drop off effect is foreseen.
New services of communes: keeping funding for services intact	New or better skills from older civil servants can help to attract new tasks. The short period of the programme cannot show an impact on the service situation.	None identified.	D2 = New tasks could replace other existing tasks. Turnover will not rise, but possibly stay at the same level as before.
Improved relations between social partners in the Communes	Older workers are a major stakeholder in trade unions. The programme serves their direct interest. In other public sectors, tensions between employers and trade unions have been more pronounced. This could be an indicator of improved relations.	None identified.	A = general political situation also helps stable relations between social partners. D1 = rising employment levels of older workers support stability. But changing labour legislation changes this. Policy needs to be explicit on older employees. D3 = impact of programme on relations may diminish over time. A full understanding of the impact is needed to keep the effect.

Satisfaction of citizens/customers with services of the communes	Citizen satisfaction with services is measured on a yearly base (see KING/VNG***). Satisfaction has fluctuated over past years: 2014 – 6.6/10; 2015 – 6.5/10; 2016 – 6.7/10. The trend seems to show stability.	None identified.	A = rise is not attributable to programme. Which factors play a role is not clear. D1, D2 = not to be expected. D3 = may diminish over time.
Improved intergenerational solidarity between civil servants	Civil service offers less and less job opportunities to younger workers (see also previous graphs). This may affect the intergenerational solidarity. This should be measured with specific questions, which has not been done.	None identified.	None identified because of no results.
Trustful relationships between employees and employers secured	This should be measured with specific questions, which has not been done in the programme. From the NEA-data****, we know that 'social support from management' has been rising from 2.83 (2013) to 2.96 (2014) to 3.00 (2015) on a scale from 1 to 5. This is for the whole public sector. Age groups require further research.	None identified.	A = rising scores may be caused by totally different factors. This is certainly not caused by the programme. D1, D2, D3 = not to be expected.
Satisfaction of older workers with new development possibilities	This should be measured with specific questions, which has not been done in the programme. From the NEA-data****, we know that 'satisfaction with training possibilities' has been diminishing from 7 (2007) to 6.5 (2013) on a scale from 1 to 10. This is for the whole public sector. Age groups require further research.	None identified.	A = diminishing scores may be caused by totally different factors. This is certainly not caused by the programme. D1, D2, D3 = not to be expected.
Well-being older workers improved	This should be measured with specific questions, which has not been done in the programme. From	None identified.	A = rising and diminishing scores may be caused by totally different factors. This is certainly not caused by the

	the NEA-data****, we know that 'satisfaction with work' has been rising up to 2007 from 81% satisfied/very satisfied to 84% in 2011. Since then the percentage has shrunk to 81%. This is for the whole public sector. Age groups require further research.		programme. D1, D2, D3 = not to be expected.

*Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time)
** Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time).
*** https://wsjg.databank.nl/Jive?sel_guid=56324361-7806-461e-82c2-9d91fc7d78fb; waarstaatjegemeente.nl
**** http://www.monitorarbeid.tno.nl/publicaties/nea-2013/2014/2015

Target socio-economic outcomes 2017

From Tables 15 and 16 we can identify which socio-economic outcomes should be targeted for 2017. The table below shows which outcomes are realistic and what should be managed to achieve the expected impact.

Annex Table 15. Target socio-economic outcomes 2017

Type of effect	Planned direct effects	Managing indirect effects and measurement problems
Retaining employment level of older workers by improving skills	No (further) job loss of older workers on the short and long term at the level of the participating communes. Figures can be compared to general SN-statistics. More communes offering interventions to keep older workers in jobs because of their updated professional skills. Rising number of civil servants following training and workshops. More mobility of these civil servants between communes. All figures should be comparable at the level of communes participating in programme.	I = monitor other non-participating communes + monitor rising quality of work. Id = monitor firing costs + employment conditions of younger workers A = will remain a major issue in identifying separate effect of programme. One of possible ways to evaluate this, is to conduct a quasi-experiment. D1 = comparison to general trend can help to verify the effect. D2 = impact on younger workers should be followed. D3 = not to be expected.
Retaining income level of older workers by improving skills and thereby their productivity	Income of civil servants should remain intact, or can improve if productivity rises. No general statistical data is available to analyse this effect. Separate research should be done.	I = monitor other non-participating communes. Id = monitor wage conditions of younger workers D2 = monitor wages of younger workers.

New services of communes: keeping funding for services intact	Follow participating communes for new tasks. Possibly compare to a benchmark.	D2 = New tasks could replace other existing tasks. Turnover will not rise, but possibly stay at same level as before. Monitor cost structure communes for this effect at level of participating communes.
Type of effect	Planned direct effects	Managing indirect effects
Improved relations between social partners in the Communes	Monitor tensions between employers and trade unions. This could be an indicator of improved relations. Objective should be reduced tensions. Possibly by asking social partners.	A, D1, D3 = highly likely: other trends need to be followed. By asking social partners, more can become clear.
Satisfaction of citizens/customers with services communes	Compare citizen satisfaction in participating communes with KING/VNG-data. The figures should show improvement in comparison to the benchmark.	A, D3 = highly likely. Comparison to trend should uncover impact.
Improved intergenerational solidarity between civil servants	Check with participating communes the opportunities of younger workers. This should be measured with specific questions.	A, D1, D2, D3: can be checked with local surveys.
Type of effect	Planned direct effects	Managing indirect effects
Trustful relationships between employees and employers secured	Specific questionnaire needed. Compare participating communes with NEA-data (social support from management). Trend should rise steeper than NEA. Age groups require further research.	A: can be checked with local surveys.
Satisfaction of older workers with new development possibilities	Specific questionnaire needed. Compare participating communes with NEA-data (satisfaction with training possibilities). Trend should rise steeper than NEA. Age groups require further research.	A: can be checked with local surveys.
Well-being of older workers improved	Specific questionnaire needed. Compare participating communes with NEA-data (satisfaction with work). Trend should rise steeper than NEA. Age groups require further research.	A: can be checked with local surveys.

Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time).
Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time).

Risks connected to realisation of outcomes in 2017

To achieve the targeted outcomes, it is necessary to measure some risks connected to the outcomes and to project management. The following tables give an overview of these risks and how to manage them.

Annex Table 16. Risks connected to realisation of outcomes in 2017

Risks in reaching planned outcomes	How to manage them in 2017?
Commitment of stakeholders and of Board	Formulate more specifically what options and balance of goals is. Achieve commitment of Board members to these decisions and choices.
Access to communes	Use of the Board members to get to the communes. Should the impact of actions to the communes to prove results?
Measurement issues	See Tables 6a, 6b and 7.
Project risks	How to manage them in 2017?
All projects: their outcomes are greatly predictable, mainly because of historical data. The greatest uncertainty is with the number of civil servants eventually reached with all measures.	Statistical measures could give an indication of spread and variation. Because there are no benchmarks, measures to estimate the uncertainty is an expert judgement or a comparison to other survey data.

Step 5: Decision Making

The previous steps have delivered the material which can help the decision makers to come to a conclusion. In this step, the stages in the decision process are identified and the actions towards important stakeholders are proposed:

- Internal decision process LEFC: by October 2017, new plan should be presented to Board.
- Drafting Year plan 2017:
    - Components: inputs, outputs, indicators
    - Social and economic outcomes
    - Types of financing
    - Connection to other projects
- Steps to take with relevant stakeholders
    - Board of LEFC: gain commitment from social partners
    - Communes: report them the positive impact of the programme

› Decision making:

- For the input/outputs, criteria have been formulated. The board can decide on these criteria.
- For the outcomes, still a lot of work is needed to complete the measurement framework. It is important for the board to consider the comparison of this multi-criteria framework. The results for each of these criteria cannot be added to each other. A policy/political decision is needed.

Step 6: Impact Assessment and Advice

The analysis has shown which input/output-results can be used for the 2017 programme. The different projects deliver a reach of some 172 communes and some 4600 civil servants. Only 218 civil servants have been activated. But what this actually does in economic terms, i.e. more employment opportunities and/or more pay, is unknown; however, it can be measured. The current budget and deployed indicators for financial and social impact can help the Fund to make choices about budget, and the composition of the project portfolio. More information should be collected on the progress of implementation. With more information, it would also be possible to identify different scenario's which the LEFC could follow to achieve its objectives. At this moment, the information is too limited to come to different scenarios. The current advice is to seek to achieve the same impact with the same budged (since the costs are expected to rise, this will require to increase efficiency).

Nine socio-economic outcomes have been identified. Because these data have not been collected to the current date, it is not yet possible to give a clear estimate of which socio-economic impact can be achieved. A baseline has been formulated for each of these outcomes. The important decision is to create a measurement framework to follow the outcomes. Next to the criteria, the LEFC should think about how to decide on the complete set of outcomes. This can be done by using a weighting procedure for the outcomes selected. The weighting can be used to help assessing the importance given to the indicators. This process can be sophisticated, but one should always remember that these indicators represent (sometimes) conflicting values. Classifying and ranking these values may also be the result of a political process. It is up to the Board of the LEFC to make explicit which values are more or less important.

The following figure connects the type of outcome to the inputs and outputs, and to the decision process with indicators, a weighting and ranking procedure (these procedures are not described here). It is also possible to identify scenarios, which would then be seen as combination of outcomes.

Type of effect	Indicator	Weights	Ranking
How public budget can be affected by improved skills of the ageing civil servants	Productivity	Weighting procedure	Ranking procedure
Retaining employment level of older workers by improving skills	Participation rate		
Retaining income level of older workers by improving skills and thereby their productivity	Income level		
New services of communes. Keeping funding for services intact	Number of services		
Improved relations between social partners in the communes	Degree of conflict		
Satisfaction of citizens/costumers with services communes	Citizen satisfaction		
Improved intergenerational solidarity between civil servants	Solidarity		
Trustful relationship between employees and employers secured	Trust		
Satisfaction of older workers with new development possibilities	Satisfaction with measure		
Well-being older workers improved	Well-being		

Annex Figure 12. Connecting inputs, outputs and outcomes in a final assessment.

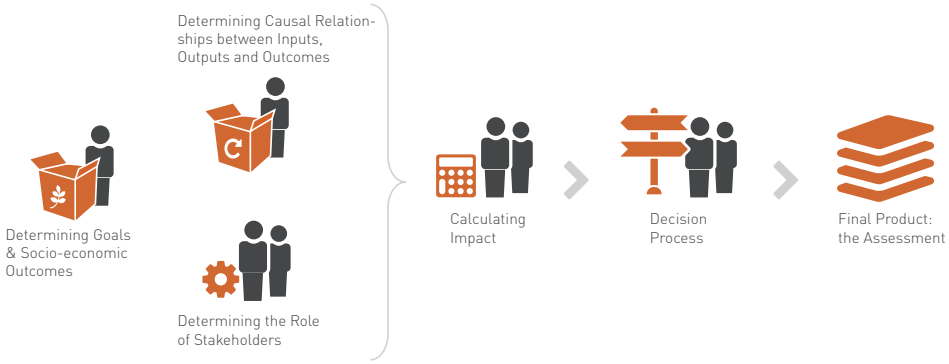
CASE STUDY: INSPIRING SCOTLAND

Introduction

Inspiring Scotland has been around for more than seven years. The organisation has developed from a limited sets of programs to a broad funder of seven programs. Inspiring Scotland connects venture philanthropy to public funding. It also helps initiatives to get a more professional approach to their social innovation. The constant monitoring and evaluation helps these projects to be more aware of what they are doing and how to improve their eventual impact. They select charities and provide support via its advisors and an extensive pro bono network of volunteers. By increasing professionalism charities are supported to become self-reliant. The rigorous performance monitoring is part of the deal, not only to measure progress, but also to provide an indication of the impact. One of their core strategies is to build strategic long-term partnerships in public, private and non-profit sectors with funders and to provide charities long-term funding opportunities. In short, the objective of Inspiring Scotland is *«Changing people's live for the better through significant long-term funding and development support for Scotland's charities»*.

Ex-Ante Social-Economic Impact Assessment of Social Innovation

Figure 13 illustrates the general process of conducting an impact assessment, as has been designed in the D7.1 report (Dhondt et al., 2016). For the different steps, we refer back to this report. The ex-ante impact assessment shows what are the outcomes and costs of selected actions. This helps to make the final decision about which route towards the goals should be taken.



Annex Figure 13. The process of ex-ante impact assessment for social innovation

In this case study, we focus on Inspiring Scotland plan for 2017. This report is structured according to the different steps shown in Figure 13.

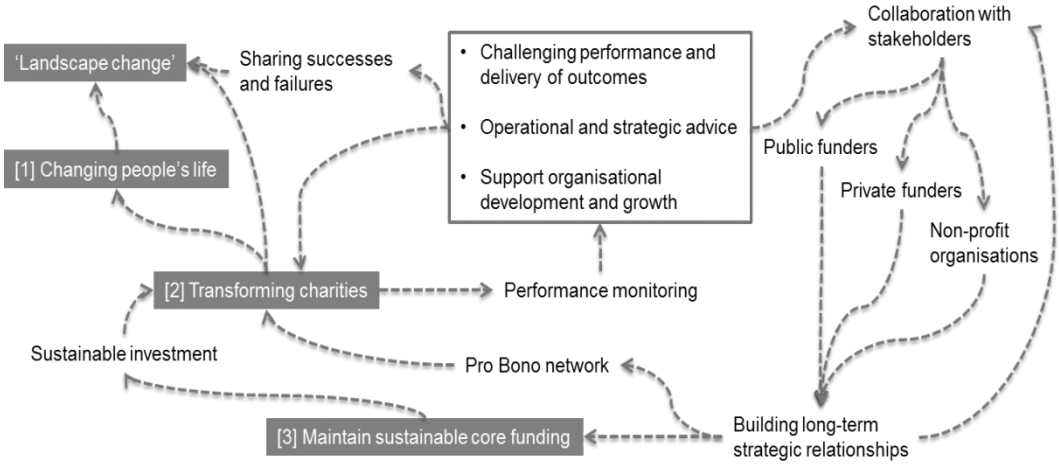
Step 1: Determining Goals

The first step of ex-ante impact assessment is to determine goals. Goals for Inspiring Scotland plan for 2017 are based on the continuation of their mission of «landscape change», which has 3 sub-goals. A more detailed description of those goals is the following:

- To continue their mission of 'landscape change'
  - [1] Changing people's life
    - Investing in charities which provide activities to increase wellbeing
    - Rigorous performance monitoring
  - [2] Transforming charities into self-reliant charities
    - To increase socio-economic impact by
      - Providing added value in advice & support
      - Increasing the size and use of the pro bono network
  - [3] Maintaining sustainable core funding by
    - Building long-term strategic partnerships to
      - Keep (large) public funding stable
      - Increase private funding

Step 2: Causal Relationships between Goals, Actions and Inputs

A Theory of Change was developed for the Inspiring Scotland plan for 2017 (see Figure 14). This model step-by-step shows how actions lead to achieving goals.



Annex Figure 14. Theory of Change for the Inspiring Scotland plan for 2017

This simplified model also reflects the main thoughts behind the programme and helps to identify the main indicators Inspiring Scotland is targeting to achieve its goals. The model shows the main objectives on the left (see Figure 14) and the main actions on the right. Theory of Change model helps the project managers in deciding what to put in the separate project plans and to monitor progress. In the case of Inspiring Scotland, their aim of building strategic long-term relationships with stakeholders comes forward in collaboration to maintain funding, but also agenda setting together with the Scottish government and even some innovations are nog going into state settings.

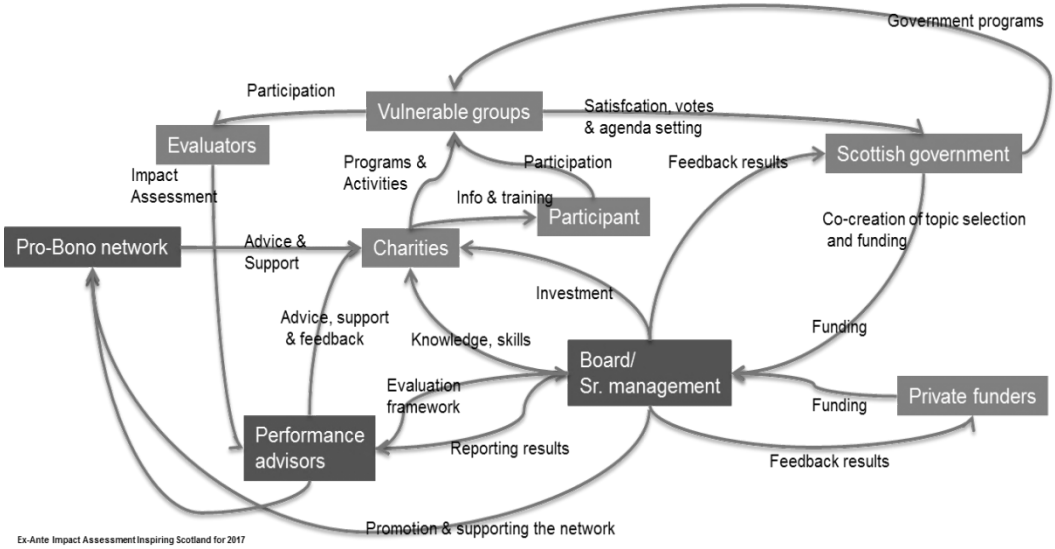
Step 3: Determining the Role of Stakeholders

Once goals are determined and related to actions and inputs, step 3 takes place – determining the role of stakeholders. For Inspiring Scotland, the following main actors were identified:

- Citizens
  - Vulnerable groups: target group of programmes and activities deployed by Inspiring Scotland
  - Participants: may be an intermediate in reaching vulnerable groups
- Inspiring Scotland
  - Board: ensures fund investment is targeted to generate maximum social return
  - Performance advisors: monitor progress and advice on key issues relating how the investment is spent
  - Pro bono network: advices and supports charities on key issues

- External partners
    - Trainers: Train the ventures in a certain approach (e.g. Go2Play)
    - Evaluators: Evaluate the impact of individual ventures and funds
- Charities: they receive funding from Inspiring Scotland
- Funders
    - Public funders
    - Private funders
    - Scottish government

In Figure 15 the relations of the aforementioned actors are shown. Their roles, tasks, inputs and outputs in the network are reflected using arrows with indicators (e.g., Scottish government does topic selection for public funders).



Annex Figure 15. Value Network Analysis of the stakeholder network connected to Inspiring Scotland

The Value Network Analysis shows the complex relations Inspiring Scotland faces and has to deal with. The stakeholders are at different levels (e.g., Scottish government compared to an individual charity) or the nature of the relationship may differ (to attract funding versus to provide funding). Because of these different levels is difficult to come up with one general method to inform and communicate with all stakeholders. Rich and detailed information provided for the individual charities, summarized for fund reports and/or for (local) governments. A tailored approach is therefore very much needed. Inspiring Scotland strives for strategic long-term relationships. Yet, not all stakeholders can be influenced. Actions at one level may cause unforeseen outcomes at another level.

Step 4: Calculating Impact

This part of the case study provides a detailed picture of the impact analysis. At the beginning, investments and programme lines are described. Further on, the intended outputs are explained. In the next steps this information is combined to get an indicator set for Inspiring Scotland. This indicator set helps to see what are the potential costs and outcomes for different actions. The following analysis focuses on the potential socio-economic outcomes of the programme. The goal is to deliver a set of possible outcomes for 2017, including the direct and indirect effects. Measurement issues are described for each of the outcomes. The section ends with a proposal for a risk management plan.

Inputs: investments

Table 17 shows investments made by Inspiring Scotland. The costs have been given for the period 2014-2015. One can find both direct (funding) and indirect (advice and support, pro bono network) costs. These figures give some insight on possible future costs while calculating impact for 2017. It is assumed that the costs' structure remains the same.

Annex Table 17. Past and estimated future costs' structure for the Inspiring Scotland

	Total:	
2014-2015	2014: £16.9M	2015: £22.5M
Funds	£15.0M (2014)	£20.0M (2015)
Advice & support	£1.5M (2014)	£2.0M (2015) (Funds * 10%)
Pro bono network	£0.4M (2014)	0.5M (2015) (average 2h/w *£40,000)
2017	2017: £25.5M	
Funds	£22.5M	
Advice & support	£2.3M	
Pro bono network	£0.7M	

Inputs: Programme lines2014-17

The programme lines planned for 2017 will continue the projects that were started in the previous years. Short descriptions of the projects are given below:

- 14:19: The 14:19 fund is aimed at supporting disadvantaged young people aged 14 to 19. Teenagers are directed towards different positive activities on a continuum from improving 'soft skills' via education and training to paid employment.

- Go2Play: The Go2Play fund supports the development and expansion of free play through Play Rangers and Active Play. The former aims at facilitating free play at public free spaces, the latter aims at increasing the level of physical activity and literacy.
- Link-Up: This programme line aims to increase social cohesion by supporting individuals and communities to locally organize activities and to nurture these activities. Charities are selected which employ local workers to help communities to get to know each other and to build relationships.
- Self-Directed-Support (SDS): Funding to support challenged individuals to take charge of their own life. Inspiring Scotland supports the performance management, monitoring and evaluation of the SDS funds.
- Cashback: The Cashback programme invests recovered gains from crimes into community programs and activities largely, but not exclusively, for young and vulnerable people at the risk of turning into a life of crime and antisocial behaviour. Inspiring Scotland has been selected by the Scottish government to be the delivery partner and supports the Cashback programme through its performance management approach.
- Intandem: Intandem is the Scottish mentoring programme, which aims to provide an adult role model for young people in the age range of 8-14 years looked after at home.

Outputs 2014-2015

In the box a general review is given of the obtained outputs in the period of 2014-2015. The box provides possible high-level indicators for the first objective of Inspiring Scotland: Changing people's life. The performance monitoring of Inspiring Scotland provides more detailed information per fund, e.g., for the fund 14:19 the number of positive destinations of the activated population. We differentiated the outputs in reach in number of communities and reach in people. Some communities have are smaller than others and thereby give a better indication of the spread over the country than solely people. The difference between informed and activated is for example attending an informative meeting (informed) and actually taking part in an intervention, e.g., education or finding employment (activated).

Achieved results in 2014-2015

- Reach of number of communities
  - Per programme: 1. 14:19 (26*); 2. Go2Play (17); 3. Link-Up (10); 4. SDS (55**); 5. CashBack (32*)
  - Total: 32 local authorities, 27+ communes; projects differ in scope and definition, thereby summing numbers is impossible. For future comparisons high-level indicators can be developed to indicate the spread over the country.
- Reach of number of persons (informed)

- Per programme: 1. 14:19 (not known); 2. Go2Play (438); 3. Link-Up (not known); 4. SDS (not known); 5. CashBack (not known)
- Total: 438+ people informed. Numbers are missing from most of the programmes as measurement mainly focuses on participation

› Reach of number of persons (activated)

- Per programme: 1. 14:19 (15,587); 2. Go2Play (not known); 3. Link-Up (600+); 4. SDS (not known); 5. CashBack (233,000)
- Total: 249,187+ people participated

* - local authorities ** - projects

In the next box possible indicators for the other two objectives are formulated: transforming charities and sustainable core funding. The objective of Inspiring Scotland is help charities become more professional and, in the end, become self-reliant. Leveraged funding per fund, i.e. the funding of Inspiring Scotland compared to additional funding, is an indication of dependability of the charities. Ideally, the leveraged funding increases in favour of private funding over the years of a specific fund. Number of successful exits is an indication how many charities can continue without the support of Inspiring Scotland. The more the better, although the number of successful exits should be seen in relation to the duration of a specific fund. More soft indicators may be added to measure the degree of professionalism of the individual charities.

Indicators of sustainable core funding are aggregated based on numbers from the individual funds. Overall, public funding tends to be more long-term oriented, whereas private funding may be more short-term oriented. Yet, Inspiring Scotland also receives short-term public funding and has engaged into long-term private funding. Therefore, also a ratio of fixed versus flexible funding is constructed. Both provide an indication of the sustainability of the funding. The last proposed indicator is to include the number of old versus new funds. This indicator provides some «feeling» if new initiatives should be employed. A suggestion is to include the factor time in these indicators, e.g., to divide information concerning the funds into long, mid and short-term.

Achieved results in 2014-2015

- Transforming charities
  - Ventures supported per programme: 1. 14:19 (21); 2. Go2Play (4); 3. Link-Up (10); 4. SDS (55*); 5. CashBack (15)
  - Leveraged funding: 1. 14:19 (5.1 vs 8.8), No information was found for the other funds.
  - Successful exits of ventures** after funding period: No information was found for any of the funds
- Sustainable core funding
  - Public vs private: 2014 (£13.7 public vs £1.8 private); 2015 (£14.1M public vs £1.9 private)
  - fixed vs flexible: No information was found concerning fixed or flexible funding received
  - Old vs new: 4 (14:19, Go2Play, Link-up, Cashback) vs 2 (SDS, intandem)

* - projects ** - a successful exit is defined as a charity being self-reliant after Inspiring Scotland funding has ended

Proposal indicators for outputs 2017

Outputs from 2014-2015 help to make a first estimation about the possible direct outputs for 2017. The numbers for 2017 are at least identical to 2015 and, where possible, to generate an increase. Because the fund 14:19 is approaching its last years, it may be expected that some charities gather enough additional funding to become more or less independent from Inspiring Scotland. Regarding the fund-indicators, Inspiring Scotland expects that gathering large (public) funds will become more difficult in the coming years. A challenge is therefore to keep the amount of public funding stable, while increasing private funding.

Annex Table 18. Proposal indicators for outputs 2017

Outputs	2015	Proposal 2017
Number of communes reached	32* (27+**)	32* (30+**)
Number of people activated	249.187+	275.000+
Ratio leveraged funding vs Inspiring Scotland funding***	8.8 to 5.1	9.5 to 5.1
Number of successful exits	-	5
Ratio public vs private funding	14.1 to 1.9	14.5 to 2.5
Ratio old vs new	4 to 2	4 to 2
* Local authorities ** communes *** information only found for 14:19 fund		

Input/output analysis for 2017

The ex-post analysis described in previous sections delivers the basis to make an ex-ante assessment of the targeted social impact in 2017. The next step is to start naming what these targets should be, which direct impacts should be reached and to think what kind of results this brings for the final outcomes.

Annex Table 19. Input/output analysis for 2017

Euro per:	Realisation 2015 ('ex post')	Ex ante: 2017
Communes reached	0.50M* (0.59M**)	0.53M* (0.57M**)
People activated	64.0	61.8
Ratio leveraged funding***	Ratio / Advice & support: 2.6	3.0
Successful exits	% successful exits / Advice & support	0.34
Ratio public vs private funding	-	
Ratio old vs new funding		
* Local authorities ** communes *** information only found for 14:19 fund		

The first two indicators are high-level indicators. By their very nature the different funds are difficult to summarize. It might be beneficial to strive as much as possible to a similar manner of reporting and use of similar high-level indicators. We acknowledge that by using high-level indicators, specific and meaningful information for subgroups might be lost. High-level indicators should not replace more specific funds, but serve to provide a measure for overall impact. For the different funds more detailed and precise measurements are still needed. Intermediate indicators can be constructed to overcome

the trade-off between high-level indicators and specific non-comparable indicators per fund. For example, the indicator for people activated can be split into a category for the general population and a harder to reach population (e.g., (very) young people, long-term unemployed, socially excluded).

Socio-economic outcomes

- The socio-economic outcomes of Inspiring Scotland considering the separate funds have explicitly been mentioned in the individual fund reports. We take the 14:19 funds as an example to include in our analysis, because detailed information is publicly available. The understanding of the economic impact of young people not being in employment, education or training is well known in the Scottish policy environment. In the past, Inspiring Scotland has undertaken SROI activities with some ventures, consequently resulting in a net positive. For this assignment, we have identified the socio-economic outcomes in perspective of the added value of inspiring Scotland at the level of the 14:19 fund and try to see to which degree they are measurable.
- An overview of outcomes is included in the next table which classifies these outcomes to the degree that they are focused at the micro-macro level or at the tangible-intangible continuum. Micro is interpreted at the organisational level; macro is seen as the labour market. Tangible is interpreted as monetizable, intangible as non-monetizable.

Annex Table 20. Socio-economic outcomes

	Tangible (monetary)	Intangible
Macro-level	Acquiring sufficient large (public and private) funds to leverage large scale change	Improving well-being of people in vulnerable groups Improving social cohesion by engaging well willing citizens into a pro bono network Building long-term relationships with funders Executing & evaluating governmental policies in certain areas Playing a leading role to inspire Scotland to help change (by publicising impact results)
Micro-level	Helping charities becoming self-reliant and more professional To support disadvantaged young people into positive destinations of employment and education (14:19)	To support young people to develop basic 'soft skills' (14:19)

Socio-economic outcomes 2014-15

In the following table we have listed the different socio-economic outcomes connected to the Inspiring Scotland. The results for the period 2014-2015 were processed and calculated as much as possible; the direct impacts were indicated, and possible indirect impacts were analysed as well. For each of these outcomes possible measurement issues were described.

Annex Table 21. Socio-economic outcomes 2014-15

Type of effect	Direct	Indirect*	Measurement issues**
Acquiring sufficient large (public) funds to leverage large scale change	The mission of Inspiring Scotland is to change people's lives for the better through significant long-term funding. Information regarding the size of the funds is available, but so far have not been converted into an indicator showing the leverage function (from the evaluation reports an increasing ratio in favour of private funding can be deduced). Furthermore, results are mostly based on individual intervention and/or projects, yet effects on local economies have so far not been identified.	I = Raise awareness of social problems in the Scottish society by active fundraising.	A = Being part of National Policy Programs, it's difficult to identify specific added value of Inspiring Scotland on a national level. D1 = Economic growth and technological advancements may attribute to large scale change.
Helping charities becoming self-reliant and more professional	One of the aims of Inspiring Scotland is to help charities to become a sustainable organization, i.e. charities continue their actions or even enlarge their scale of operations without the support of Inspiring Scotland. The added value of Inspiring Scotland has been measured with the satisfaction of delivered services. Showing the actual added-value (what would have happened if Inspiring Scotland did not offer advice and support) remains challenging due to the difficulties of constructing a comparable control group. Information about the degree of professionality was not found.	I = Professionalization may cause charities to lose their «charity charm». Dy =Charities may move into social impact investing.	A = The level of professionality of the charity may depend on the baseline professionality, i.e. the experience of the founders. D1 = Economic growth will probably lead to more funding opportunities and a larger total sum of funding to attract. D2 = Charities not supported by Inspiring Scotland may struggle to get funding or other socials problems may receive less attention.
To support disadvantaged young people into positive destinations of employment and education (14:19)	The main objective of the 14:19 fund is to support young people aged 14 to 19 years into positive destinations on a continuum ranging from skills development (e.g. self-efficacy) via education and training towards sustainable employment. Young people who are supported by the fund are followed-up and questioned about positive destinations, e.g. tangible outcomes like qualifications and employment. Numbers are provided per	I = Decrease in expenditure on social benefits due to employment. Id = due to higher employment rates and better skilled young worker, efficiency of social agencies may increase. Dy = effects may differ upon the economic and political climate.	A = Interventions outside the program, e.g. of the social network or social agencies might have caused positive destinations. D1 = The economic growth in the last couple of years may have increased the likelihood of disadvantaged young people to find employment. D2 = It might be that young people supported via the 14:19 fund have been

	venture and for the fund. The effect on the (local) labour market or educational system is difficult to isolate and not observable. Despite a rigorous performance monitoring program is in place, a control group is often lacking. An adequate control group is difficult to construct, due to the large variety in internal and external variables. The effectivity of intervention are thereby difficult to establish.		employed in jobs for which otherwise other young people would have been employed, or they might take up more time of teachers negatively affecting learning opportunities of other students. D3 = Young people are only followed-up for 12 months. They might still be the most vulnerable group and being laid off first in case of downsizing or economic recession after follow-up ends.
Improving well-being of people in vulnerable groups	The mission of Inspiring Scotland is to change people life and tackle Scottish social problems. Numbers are aggregated across funds.	I = Lowering healthcare costs	D1 = Economic growth and technological advancements may attribute to large scale change.
Improving social cohesion by engaging well willing citizens into a pro bono network	The pro bono network is an important feature of Inspiring Scotland, supporting and giving advice in kind to charities on a range of key issues. Inspiring Scotland has numbers on the size of pro bono network and for which kind of activities they have provided their expertise. Furthermore, actual efforts and inputs have been measured, providing a proxy for (economic) added value.	I = Pro bono work may come at the cost of less paid work of the network.	D1 = Shift towards a participation society may force more volunteering D3 = After funding period has ended, pro-bono support is continued if requested, but is lost if not requested.
Building long-term relationships with funders	Inspiring Scotland wants to provide sustainable long-term funding to charities and therefore aims to build strategic long-term relationships with funders based on trust instead of a transactional nature. Relationships are hard to measure and even more so the outcomes of investments in relationships, e.g. in terms of funding. Inspiring Scotland holds information per funder over several years, which may help to measure the nature of the relationship (Information is not presented due to reasons of confidentiality).	I = Stability for Inspiring Scotland Id = Possibility to influence the agenda setting	A = Relationships may be due to a «personal click» instead of specific actions. D2 = Focus on long-term relationships may diminish new opportunities.
Executing &	For some policies, Inspiring	I = Governments may	D2 = Efforts put into

evaluating governmental policies in certain areas	Scotland is selected to commission Scottish national level programs (e.g. Cashback). It can be seen as a measure of retreating governments and outsourcing activities to specialized organizations like Inspiring Scotland. Considering support, advice and monitoring, the same comments apply as to their own funds.	lose «feeling» with the actual community	governmental policies may come at the cost of activities initiated by Inspiring Scotland
Playing a leading role to inspire Scotland to help change (by publicising impact results)	Dissemination of results and learnings of failures is an explicit goal of Inspiring Scotland. Evaluation reports are made publicly available. Yet the reach of dissemination actions is hard to measure and unknown. Outputs in terms of publicity can be measured.	I = Inspiration may lead to action; setting-up a charity or learn from the learnings of Inspiring Scotland. Id = More evidence-based interventions and/or more efficient charities	A = People may get inspired by personal experiences D1 = Other initiative like National communication programs may inspire people
To support young people to develop basic 'soft skills' (14:19)	In case young people are not ready to engage in education or employment, intervention are undertaken to upgrade their 'soft skills', e.g., improved confidence, self-esteem, communication skills and work readiness skills. A monitor program is set-up to follow-up on participants and to analyse whether there are any improvements. However, a control group is often lacking. An adequate control group is difficult to construct, due to the large variety in internal and external variables.	I = Improved 'soft skills' may also lead to less usage of social services.	A = Interventions outside the program, e.g. of the social network or social agencies might have supported development of 'soft skills'. D1 = People acquire 'soft skills' anyway over their life-course. D2 = Schools may focus more on the development of soft skills of their students. D3 = Constructs like confidence and self-esteem are momentary ratings and also rely on positive experiences. Without positive experience their initial level may drop.

*Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time)

** Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time).

Targeted socio-economic outcomes for 2017

The previous table provides some insight which socio-economic outcomes should be targeted for 2017. The next table shows which outcomes are realistic and what should be the actions to achieve the expected impact.

Annex Table 22. Targeted socio-economic outcomes for 2017

Type of effect	Planned direct effects (indicators)	Managing indirect effects and measurement problems (explanation: see above)
Acquiring sufficient large (public) funds to leverage large scale change	Similar to the output of the 14:19 fund, a measure can be constructed showing the leveraged funding of charities compared to the funding by Inspiring Scotland. Ideally this ratio should increase over the years (and it does).	
Helping charities becoming self-reliant and more professional	Assessments of the degree of professionalism of a charity. A proxy for professionalism is the high calibre staff employed by Inspiring Scotland and the feedback from companies. An option is to make these measurable by constructing a standardized survey to assess not only satisfaction, but also professional behaviour of Inspiring Scotland's advisors and/or charities and track progress over time.	I= Develop at the beginning a strategic plan together with the charities to where they would like to be in 3-5 years and discuss whether they would like to move into social impact investing or stay in the charity/ philanthropic setting. A= Assess the baseline level of professionality of the venture D1= Take into account the economic climate, in particular national (or regional) numbers on charity funding.
To support disadvantaged young people into positive destinations of employment and education (14:19)	Continue using the current set of indicators. If possible, include a control group.	A=Using control groups or benchmarking against comparable interventions to determine its effectivity D3=Follow-up longer than 12 months, e.g. by national registration data.
Improving social cohesion by engaging well willing citizens into a pro bono network	The number of pro bono workers could be a proxy for social cohesion. Numbers are available, but not yet converted. Time spend on activities by pro bono workers may be converted into FTE (full time equivalent) and thereby monetarized.	D3= Follow-up on charities after the funding period
Improving well-being of people in vulnerable groups	On the national level, indicators might be the number of people in social welfare or the number of applications for social benefits. Softer outcomes may include national surveys concerning wellbeing, which may be used to look into vulnerable groups by e.g. selecting on social economic status	
Building long-term relationships with funders	Measures may include the time frame of the funding received, the number of funds received over a long period (e.g. 3-5 years). A softer measure may evaluate the level on which (possible) funders are contacted, with contact at higher levels representing a relationship based on trust and contacts on lower levels a transactional relationship.	D2= include a ratio on old and new funders (or old and new funds), which should be more or less stable around a certain pre-determined value.

Executing & evaluating governmental policies in certain areas		
Playing a leading role to inspire Scotland to help change (by publicising impact results)	Next to the evaluation reports, the number of presentations were results are shared and keeping track of newsfeeds were Inspiring Scotland, or its funds, are mentioned may provide a more extensive view on dissemination impact.	
To support young people to develop basic 'soft skills' (14:19)	For the 14:19 fund an extensive monitoring system is in place. Benchmarking against available data is performed as much as possible. Still, although we acknowledge the challenges, constructing a control group would be beneficial. Efforts in constructing a control group should be weighed against the efforts. Collaboration with non-commercial partners (e.g. universities) may occasionally be an option.	A= A control group may help in attributing the effects to the interventions D2= Performing a process analyses during the programme, in which the context at baseline and during the programme is examined.
Indirect effects: I = indirect effects (consequence of direct effect); Id = induced effects (consequence of direct and indirect effects); Dy = dynamic effects (shifts over time). Measurement issues: A = Attribution/alternatives (effects achieved by others); D1 = Deadweight (effects that would have happened anyway); D2 = Displacement (with possible negative consequences); D3 = Drop off (declining effects over time).		

Risks connected to realization of outcomes in 2017

To achieve the targeted outcomes given in Table 23, it is necessary to identify some risks connected to those outcomes and to project management. The following tables give an overview of possible risks and suggestions how to manage them.

Annex Table 23. Risks connected to realization of outcomes in 2017

Risks in reaching planned outcomes	How to manage them in 2017?
Sustainable core funding: Long-term funding is hard to realize due to economic and societal changes. Economic growth will largely determine how much money is available, while societal changes may cause a shift in topic selection.	Continue on the current direction by building long-term strategic relationships. Not only showing the impact of activities, but also the added value of the Inspiring Scotland approach in the long term might help in keeping sustainable core funding. By performing evaluations with a large time horizon (3-5 years), funders may realize real impacts takes time.
Reaching vulnerable groups: those in need are generally the hardest to reach.	Inspiring Scotland uses a continuum of actions to manage the risk of not reaching vulnerable groups.
Measurement issues	See previous tables

Annex Table 24. Risks connected to project and outcomes in 2017

Project risks	How to manage them in 2017?
The outcomes of older project or those based on previous projects are to a large degree predictable on historical data. The outcomes of new projects are harder to estimate.	Continue in the current direction; select those ventures with a proven, evidence-based, approach or at least a well thought of theory of change and/or logic model

Step 5: Decision Making

The previous steps of the ex-ante impact analysis provide some material which can help decision makers at Inspiring Scotland to come to some conclusions. In this step, the stages of the decision process are identified and the actions related to important stakeholders are suggested:

- Internal decision process:
  - Plan should be presented to the board by October 2016
- Drafting year plan 2017
  - Components: inputs, outputs, indicators
  - Social and economic outcomes
  - Types of financing
  - Connection to other projects
- Steps to take with relevant stakeholders
  - Continue developing long-term relationships with funders while keeping an eye open for new funding opportunities
  - Follow-up on charities after funding periods end
- Decision making
  - For the input/outputs criteria have been formulated. The board can decide on these parameters
  - For the outcomes some more work is needed in showing the added value of Inspiring Scotland

Step 6: Impact Assessment

Overall, Inspiring Scotland can be seen as a leader in the field of social impact assessments. For the first objective of Inspiring Scotland, changing people's life, well thought off logic models for the different funds and a rigorous performance monitoring

are in place, providing an indication of social impact. We found less information regarding the other two objectives. Two issues might need attention:

- 1) The large diversity in funds make comparisons between the funds difficult. High-level indicators can be constructed to provide an overall impact of Inspiring Scotland, next to more detailed information as input for a multi-criteria decision model. A universal way of reporting results may also help in providing some overview;
- 2) The added value of Inspiring Scotland should finally been shown in two respects: (1) what does Inspiring Scotland do different from public services?; (2) in what way does the link with Scottish Government financing add to attracting private (charity) funding;

Transforming charities into more professional and, in the end, self-reliant organizations is a core objective of Inspiring Scotland. Next to data on charities' satisfaction of Inspiring Scotland support, it is suggested to also measure whether the activities of Inspiring Scotland improve professional behaviour of the charities.

Building strategic long-term relationships is key to provide long-term funding. The Board has to make decisions in which relation to invest and in which funds to invest. Indicators of sustainable core funding or the level of trust are available, although not publicly.

The analysis has shown which input/output-results can be used for the 2017-Programme. Ten socio-economic outcomes have been identified, of which two were taken as an example form the 14:19 fund. Data is available for most of the individual funds, yet are difficult to summarize in general social impact measures. Currently, the monitoring system primarily focuses on impact and less on the added-value (effectivity). We acknowledge that due to a variety of reasons it is challenging to clearly demonstrate the added-value of Inspiring Scotland. Still, it is suggested to add to their current measurement framework indicators of the added value of Inspiring Scotland. Clearly demonstrating the added value of Inspiring Scotland may help at least in differentiating from governmental services and organizations alike, and attribute to attaining sustainable core funding. Another step could be to create indicators concerning the portfolio to help making strategic decisions concerning investments in relationships and funds. In the end, it is up to the board to make explicit which values are more or less important and to make a trade-off in investments and gains.

Possible outcomes	Indicator	Weights	Ranking
Acquiring sufficient large (public) funds to leverage large scale charge	Leverage funding	Weighting procedure	Ranking procedure
Helping charities becoming self-reliant and more professional	Professionalism/Successful exits		
Improving social cohesion by engaging well willing citizens into a pro-bono network	FTE		
Improving well-being of people in vulnerable groups	Wellbeing		
Building long-term relationship with funders	Relational level		
Executing & evaluating governmental policies in certain areas			
Playing a leading role to inspire Scotland to help to change (publicising impact results)	Dissemination		
14:19 To support disadvantaged into positive destinations of employment and education (14:19)	Continue incl. control group		
14:19 To support young people to develop basic «soft skills» 14:19)	Continue incl. control group		

Annex Figure 16. Connecting inputs, outputs and outcomes in a final assessment.


Westphalian
University

IAT
Institute for Work & Technology

technische universität
dortmund
sfs

sinnergiak
social
innovation

VŠEM

NEOMA
BUSINESS SCHOOL

C E
P S

POLITECNICO
DI MILANO

Maastricht University
UNU-MERIT

TNO

UNIVERSITY OF
BATH

NORDREGIO
Nordic Centre for Spatial Development

UNIVERSITY OF
EASTERN FINLAND