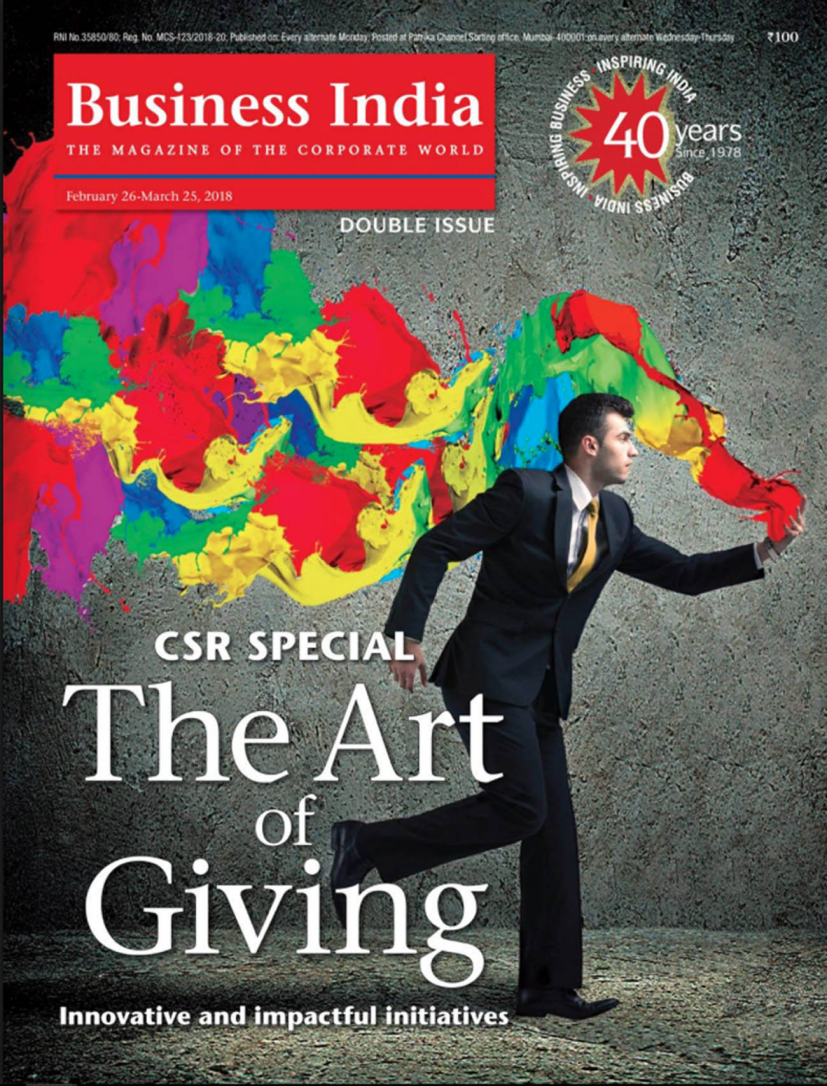


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A man in a dark suit and yellow tie is running to the right. Behind him is a large, vibrant splash of multi-colored paint (red, yellow, green, blue, purple) against a grey, textured wall.

CSR SPECIAL

The Art of Giving

Innovative and impactful initiatives

Enhancing return on social investment

An evaluation of the CSR activities reveals challenges, as also opportunities

India has a rich history of corporate spending on the social sector as a part of social responsibility. The 2013 Companies Act formalised and mandated CSR spends based on specific criteria. Enough has been written since then about CSR activities in various sectors. One of the emerging areas of discussion is the need for organisations to focus on assessment and measurement – what is their CSR strategy/programme accomplishing and, how can it be measured? Our goal in this short article is to dwell on some challenges and opportunities presented by the need to assess CSR performance.

The need for clarity

'Impact assessment' is a term often used (misused?) in the CSR space today. In a quick review of about a dozen randomly selected (albeit non-representative) CSR 'impact assessment' reports posted online, we found that cursory observation studies, field visit notes, descriptions of outputs (such as construction of a school building), a count of beneficiaries, and interviews with a handful of them are all termed as 'impact assessments'. Surprisingly, some of these reports are by the country's premier educational/research institutions. There exists a wide array of 'impact assessors', with an equally wide range of skill sets, employing different methodologies with questionable robustness. In this scenario, some of the key issues to be considered are:

- Actual impact assessments – whether through quasi-experimental study designs, randomised control trials or any other mix of quantitative and qualitative methods – while not rocket science, are still technical. Those using such methods do need to employ some technical components such as (but not limited to) sampling, control and experimental groups chosen with adequate care and, appropriate statistical analyses in their study design to ensure methodological and statistical rigor. Without trained and experienced 'assessors' employing these rigorous methods, we are left with impact assessment studies only in name.
- CSR activities need a wider range of monitoring and evaluation methodologies than just 'impact assessments'. Many companies, especially those with substantial CSR spends, have now officially entered the development sector through their CSR strategies, and are often working in the same major development sectors such as education, health, water and sanitation. These companies would benefit from the M&E (monitoring & evaluation) or the MEAL (monitoring, evaluation, accountability



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and learning) frameworks already being employed in the development sector. The development sector took a long time to arrive at and acknowledge the importance of such frameworks to measure outcomes and impact of development projects in various sectors. M&E in this sector has grown to its current state only in the last decade or so and is still evolving. Companies with CSR portfolios do not need to lose time and resources in reinventing the wheel – they can learn from and implement the tools already being used in the development sector.

- Embedding such frameworks into the design of the CSR projects will yield rich returns on social investments because they will help companies learn if they are doing it right; and, further, they will do so by allowing for participatory monitoring and evaluation methods. Designing impact assessments – which are tricky due to complications of attribution – can come after that. The much-debated issue of attribution of results to the intervention/project is beyond the scope of this short article.

Process and outcome evaluations

A key take-away from the above discussion is that 'monitoring, evaluation and impact assessment' cannot (and should not) be an after-thought. If process has to be assessed during the course of implementation (process evaluation, also known as formative evaluation), it has to be a part of the project design from the beginning. If the outputs and outcomes have to be measured (outcome evaluation), or an impact assessment has to be planned, a theory of change and, a logic framework or results framework have to be drawn up and finetuned before the start of the project. Without these exercises on paper, one is unable to determine what to measure in the 'before and after' – that is, what was expected to change, and what (if anything) really changed as a result of the intervention or project that the company implemented?

Simply put, in an M&E framework we try to measure: inputs, outputs, outcomes and impact. It is a mistake to think however, that one study design or type of evaluation has to tackle all the components or steps listed above. A Formative Evaluation may address only the inputs and the process of implementation; an Outcome Evaluation may only measure the short-term, medium-term or long-term outcomes (often at different points of time). Impact comes only later and most

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often cannot be accurately measured in the short term. One may need to do a baseline survey before the project begins, as a benchmark to compare against an end-line survey to find the difference. Alternately, or complementarily, the study design may also call for a 'control group' from a similar location where the programme intervention will not take place – to compare the outcomes with the project/intervention population. Understanding these various terminologies, methodologies and timelines will be an important step in determining the right kind of project design that has to go into M&E planning.

Will all this cost money?

Yes, M&E activities and impact assessments will cost money. We have often found that companies will (if at all) set aside an arbitrary or random budget for M&E. Not much thought is given to a process that needs to be employed to determine a budget. Most often, this amount is not sufficient for the study design chosen for the evaluation or assessment.

Once again, invoking the earlier experience of the development sector – it is not uncommon for funders to think that all the money available should be spent for the direct benefit of beneficiaries/citizens, and that M&E budgets are neither necessary nor justifiable.

But, realisation has dawned that spending on M&E is actually a good investment, quite like market research or R&D. If some or all components of the project are not working or delivering the planned outcomes to the citizens, finding that out during implementation (process) and/or immediately after the project completion (outcome) will help the company make mid-course corrections or choose not to spend on the same project again for its next cycle of CSR spending. The M&E budget is itself an investment that will then help in better overall Return on Social Investment (ROSI) for current as well as future spending.

The budget to be set aside therefore depends on the objectives, magnitude, complexity and geographical spread of the project, the study design to be employed (including mode of data collection and sample sizes) and the skill set required. A third-party entity – whether individual consultant, firm or company with the appropriate experience and

skill set – should be hired to do the M&E activities (or at the least, the 'evaluation' activities, if not the 'monitoring').

Such outsourcing of M&E not only allows for the right skilled resources to take up the task, it also provides an opportunity to get an independent and credible assessment of the outcomes and impact of the project, which in turn would have a greater 'buy-in' by all stakeholders.

All these factors will determine the size of the M&E budget.

Building capacity

As the CSR space continues to grow, there will be greater demand for M&E services offered by trained and experienced professionals who can employ the right knowledge and tools to monitor, assess and report outcomes and impact.

To meet this demand, building local capacity (rather than reliance on

external actors) through better academic and experiential training is extremely important. If a consortium of companies invests in such training of young professionals in universities and civil society organisations, a pipeline of professionals with a stronger background in a combination of Social Science Research methodologies, development studies, public health, statistics, and subsequently M&E and similar applied fields can be developed. With this vision and strategy, local talent can be encouraged and trained, costs can be kept down, business can

be kept local and, the demand for a robust M&E workforce can be met.

Participatory process

Involving citizens through community based organisations and civil society/NGOs will also help in making the M&E processes participatory, and the process of citizen engagement highly rewarding. Various well-tested accountability tools like community score cards, citizen report cards and social audits can be used to make the M&E process participatory and citizen-centric.

Finally, each of the sections above can be a topic of detailed discussion, and deserves a spot of its own in a future series on planning and implementation of M&E activities in the CSR space. We look forward to contributing to such a discussion. •

