

Report from first Meeting of the
**GECES Sub-group on Social Impact
Measurement – 26 November 2012**

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Agenda

- Needs of the European Commission in terms of impact measurement
- Results of questionnaire where sub-group members provided feedback on a number of key issues around impact measurement
- Highlights of yesterday's discussion
- Next steps for sub-group work

1. Needs of the European Commission in terms of impact measurement (1/2)

- **Programme for Social Change and Innovation (PSCI)**. €90m will be invested in social enterprises in Europe – also through intermediaries. The definition of social enterprise includes that the *objective should be achievement of measurable social impact*.
- Need to provide concrete recommendations on *measurable social impact*

1. Needs of the European Commission in terms of impact measurement (2/2)

- **European Social Entrepreneurship Funds (EuSEFs)** –regulation. Commission has empowerment to decide on rules in relation to social impact measurement related to:
 - **Selection.** Prior to investment decision, EuSEF managers should inform investors about social impact objectives and methodologies used to measure social impact
 - **Transparency.** EuSEF managers need procedures to measure and report on how invested social enterprises achieve impact.
- Need guidance on how to proceed

2. Results of sub-group questionnaire

- Measures to **stay close to social enterprise** so that resulting indicators are meaningful to them – useful as a management tool. Indicators **cannot be imposed top-down**.
- **Measure what matters** and to such accuracy as is relevant. Consider trade-off between complexity and costs.
- **Quantitative measures** useful but should **not be disconnected from qualitative** narrative (theory of change)
- Group enthusiastic about possibility of **defining commonalities between methodologies** that can be distilled to produce recommendations on **best practice** on impact measurement.

3. Highlights of sub-group discussion (1/2)

- Four levels of **stakeholders** to take into account – policy makers, funders, social enterprises and also beneficiaries. All stakeholders need further **guidance** on impact measurement.
- Indicators should make sense to particular stakeholder. Rather than defining common indicators, we should focus on providing guidelines on **procedure** of setting indicators.
- Moving towards a **common language** on impact is useful to remove inefficiencies in communication, reporting and managing impact – between stakeholders.

3. Highlights of sub-group discussion (2/2)

- The objective is to **help, rather than constrain social enterprises**.
- **Regional differences** need to be taken into account. The question of information asymmetry was raised.
- Can we develop a **common framework for EuSEF and PSCI?**
- Group was enthusiastic about idea to move towards **common framework** (best practice recommendations) – but inherent **challenges** were also addressed.
- Group is keen to stay on a **practical level** so that outcomes of work can be readily implemented by key stakeholders defined.

4. Next steps for sub-group work

- Meetings will be held with sub-group every 2-3 months
- Next meeting, a few members will be asked to present different frameworks that they have expertise on. Objective is to learn from the models that are being developed – not reinventing the wheel.
- Divide the group into smaller groups to work intensively on sub-themes
- Strong commitment around the table to move the topic of impact measurement forward to provide clear and practical guidance to the Commission but also to the other key stakeholders.