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Support capacity

Despite their purpose-driven mission, social and solidarity economy (SSE) entities may not always be equipped with the resources and know-how required to accurately assess their impact. This chapter presents how concretely policy makers can help develop the impact measurement capacity of SSE entities, both internally and externally, to facilitate uptake and adaptation to their specific learning and accountability needs.

Why is this important?

Despite their purpose-driven mission, social and solidarity economy (SSE) entities may not always be equipped with the resources and know-how required to accurately measure their impact. According to a 2017 survey on social impact measurement in France, only 41.3% of SSE actors and 35.9% of their funders expressed that they are carrying out social impact measurement. More than 50% of respondents cited costs and complexity of measurement as the main barriers against adoption of social impact measurement (KPMG, 2017^[1]). Policy makers can play a significant role to support the development of competencies around impact measurement principles, methodologies and practices.

Social impact measurement can generate increased costs on SSE entities, which already face significant bottlenecks in securing financial sustainability. They may not always have the required human capital or financial means to conduct impact measurement in a meaningful manner. Moreover, the efforts devoted to social impact measurement may be perceived as deflecting attention and resources from the SSE core activities in support of its mission.

Furthermore, imposing requirements on SSE actors, without offering them enough support, may tilt the playing field to the advantage of conventional businesses as well as larger, better-established SSE entities. In fact, smaller, younger (and sometimes more innovative) SSE entities may have a harder time mobilising the necessary means to engage in social impact measurement, both in terms of human capital and financial resources. This can create an unfair comparative advantage and lead to opportunistic behaviour as well as deleterious competition between SSE entities. To this end, policies on social impact measurement could help provide SSE actors with enough technical support to meaningfully engage in social impact measurement.

How can policy makers help?

Policy makers can facilitate SSE entities' access to provision of capacity building on social impact measurement in an inclusive way. This could be facilitated by taking stock of existing gaps in soft and hard skills on impact measurement among SSE entities. SSE entities are particularly exposed to challenges in securing financial stability due to limited access to external financing. Policy support could be an important enabler to facilitate that SSE entities incorporate social impact measurement into their practices without incurring additional costs. As impact measurement requirements become more rigorous given the increasing appetite by impact-driven financiers for impact reporting, private sector actors could more easily access the tools and resources necessary to carry out impact measurement. Public support through grants and provision of know-how on impact measurement can help mitigate the risks of limited competition ability by SSE entities vis-à-vis their conventional enterprises.

By convening different perspectives in the SSE space on social impact measurement, policy makers can help tailor impact measurement to suit the needs of different facades of the ecosystem. There are already numerous targeted but usually scattered efforts by non-policy actors on building know-how on social impact measurement. These isolated initiatives may not always reflect the specific mission and needs of SSE entities. Furthermore, as impact measurement often creates much-needed public open data, many other stakeholders such as financiers and civil society would bring in particular considerations to how to evaluate impact based on their very own contexts. Capacity building provision which is offered in silos would then fail to reflect the varying but complementing objectives and requirements of different SSE ecosystem actors. Policy makers can leverage their convening power to connect SSE entities with ecosystem enablers, such as support networks and incubators as well as academia and private sector practitioners, to facilitate knowledge and experience transfer among various stakeholders in the SSE space.

Policy makers can support SSE entities by supporting capacity in two ways: (i) by enabling provision of capacity building services such as trainings and mentorships to equip SSE entities with know-how on social impact measurement; (ii) by facilitating networking opportunities among SSE entities, policy makers, financiers and other ecosystem stakeholders to capitalise on existing knowledge base on social impact measurement and adapt it to different needs of the SSE ecosystem.

Infographic 4.1. Success factors and pitfalls to avoid: Support capacity

SUCCESS FACTORS Support capacity	PITFALLS TO AVOID Support capacity
✓ Tailor capacity building to the specific context and needs of SSE actors;	✗ Establish capacity building programmes without properly communicating around them to SSE entities;
✓ Design capacity building programmes through an inclusive process with inputs from SSE practitioners, policy makers and academia;	✗ Restrict access to capacity building to only some SSE entities (e.g. depending on their legal form or status);
✓ Adopt a modular approach to construct capacity building curriculum for social impact measurement instead of one-size-fits-all programmes;	✗ Develop generic curricula on social impact measurement without acknowledging the specific context, needs and resources of SSE entities;
✓ Leverage local expertise available in academia or the consulting sector (where scarce, establish cross-border collaborations with countries having similar SSE ecosystems);	✗ Work in silos, mobilising different networks in the SSE landscape without fostering interlinkages;
✓ Facilitate equitable access to capacity building programmes for all actors in the SSE space.	✗ Set high entry fees to the capacity building and networking offer, which may jeopardise equal access.

Possible actions

Capacity building

To equip SSE actors with the required skills, policy makers can sponsor training or mentoring services on social impact measurement for the SSE. For this, SSE networks and federations are among the most prominent actors to mobilise at the national and local level, together with entrepreneurship promotion agencies, accelerators and incubators, chambers of commerce and promotional banks. Their understanding of territorial dynamics and proximity to local communities can help identify gaps in impact measurement capacity and grant easier access to SSE entities. They can also liaise with the private and academic sector to generate mutually beneficial collaboration around impact measurement. For instance, in Mexico, the National Autonomous University runs a network of business incubators and laboratories that support social entrepreneurs in their impact measurement efforts, while the National Institute for Social Development carries out capacity building programmes for civil society organisations. In Italy's Turin, the Competence Centre for Impact Measurement provides guidance and tools to promote impact measurement (see Making it happen 4.1).

Local authorities can facilitate provision of social impact measurement trainings and resources in line with their mandate to support regional socio-economic development and social innovation. In Türkiye, Ankara Development Agency, the public institution carrying out sustainable development projects in Ankara, delivered a social impact management training program in 2019. Social entrepreneurs and enterprises were invited to this three-day program to follow a curriculum comprising the concept of social impact, theory of change, data collection, data maturity assessment, impact strategy development and so on (Ankara Development Agency, 2020^[2]).

The rise of impact finance increased both the demand for impact measurement as well as the supply of available tools. As entities are required to establish transparent methods to assess and report their impact to secure external financing, the importance of building capacity on social impact measurement among SSE entities has escalated. Correspondingly, governments around the world have explored ways to develop capacity on social impact measurement in their strategies to spur social impact investing. Under the “Outcome Measurement Initiative”, the Australian government invested USD 6.7 million into building outcome measurement capacity between 2018-2019 (Department of Social Services, 2022^[3])¹.

Local capacity building intermediaries play a pivotal role in boosting social impact measurement skills among SSE entities. A survey conducted in 2020 among 110 incubators and accelerators across Europe found that 77% of them support social purpose organisations with building a theory of change and impact strategy, and 68% help with impact measurement and management (EVPA/MAZE, 2020^[4]). Similarly, out of 150 social enterprise incubators surveyed in Europe, the Middle East and North Africa in 2019, almost 60% claimed to provide training on impact measurement and reporting. However, only 33% of incubees effectively measure their social impact (Essec Business School, 2019^[5]). Hence, training may not be sufficient, if it is not accompanied by hands-on support to perform social impact measurement in a way that is relevant to the individual needs of each SSE entity.

Capacity development for the SSE could embrace a wider spectrum of competencies, in addition to technical ones. On top of hard methodological know-how on data collection and analysis tools, SSE entities need to acquire soft skills to support effective stakeholder engagement and evidence-informed decision-making. Data mining and data science offer useful opportunities in terms of social impact measurement. While digitisation can improve delivery of social impact, SSE entities remain to be constrained in their financial capacity and human resources to integrate digital technologies (European Commission, Executive Agency for Small and Medium-sized Enterprises, 2020^[6]). Policy makers could promote digital competencies within the SSE, but also encourage the involvement of data scientists through open data initiatives and data labs relating to social impact metrics. Lithuania’s *Versili Lietuva* (Enterprise Lithuania) launched a social impact measurement training platform for social enterprises in 2021, which also offers a single repository to collect and display data on social enterprises (see Making it happen 4.2).

Making it happen 4.1. Competence Centre for Impact Measurement and Torino Social Impact (Turin, Italy)

Why?

As part of Turin's Social Impact Strategic Plan, the Competence Centre for Impact Measurement was launched in 2018 through a partnership among the Turin Chamber of Commerce, Compagnia di San Paolo Foundation and Human Foundation. The Centre aims to promote social impact measurement and culture through seminars and meetings as well as university course offering by the University of Turin.

What?

The Centre works as a hub for impact evaluation practices and culture, and provides guidance, training and methodological support in alignment with international practices to all public and private, profit and non-profit entities. To this end, the Torino Social Impact was also launched as an open platform to intermediate capacity-building. Torino Social Impact is an alliance comprising over 200 private sector companies, public institutions, financiers, charities and other actors to strengthen the local ecosystem for achieving social impact objectives while generating business outcomes. It offers ecosystem building and identity promotion opportunities for entities seeking to engage with other actors of the social impact space.

Impact

The second edition of the university course "Social Impact Assessment" for professional development is underway with the support of the Turin Chamber of Commerce. Organised by the University of Turin with the Polytechnic University of Turin, the Piccatti Milanese Foundation, Cottino Social Impact Campus, Tiresia, the training bodies of the Cooperative Centres (Consorzio Il Nodo for Confcooperative Piemonte Nord and Inforcoop Ecipaa Piemonte for Legacoop Piemonte), and the Compagnia di San Paolo Foundation, the university course has seen a boom in enrolments.

Source: (Torino Social Impact, 2021^[7]).

Making it happen 4.2. Social Enterprise Training Platform for Social Impact Measurement (Lithuania)

Why?

Following the OECD's recommendation to raise awareness of social change via an open access web portal for social impact measurement, *Versili Lietuva* (Enterprise Lithuania) has launched a social impact measurement training platform for social enterprises in March 2021. This platform has two main goals: (i) providing social enterprises with the training needed to successfully understand and measure their social impact and (ii) having a single space collecting and displaying data about social enterprises who voluntarily register and can display their work.

What?

The learning platform features trainings, exercises, and other useful information, which aim to help social enterprises analyse their impact and create an impact measurement plan, assess the effectiveness of their solution, validate their business model and better understand the needs of the market and customers. The platform helps social enterprises gain this knowledge and improve strategic business decisions allowing them to contribute effectively to solving social problems.

Impact

The possible scope of this platform is relatively large as its resources are available not only to existing social enterprises, but also to social entrepreneurs that just have an idea and can register as well and take advantage of the trainings. Users that have filled in and completed the online lessons have an opportunity to ask for written mentors' feedback. Today, the website counts over 120 registered social enterprise accounts and 220 idea accounts and the numbers are growing. In addition to free training material, the platform offers social entrepreneurs a sense of community; registered users receive newsletters with information about relevant events, financing opportunities and general news of the ecosystem. Social enterprises are also often invited to present their businesses in various events, use the platform be more visible and communicate their mission via the platform and Innovation Agency's social networks.

Source: (Socialinis Verslas, 2022^[8]).

Networking

Building capacity on social impact measurement requires concerted efforts by all stakeholders in the SSE space, including practitioners, policy makers and academia. To capitalise on existing expertise and facilitate adaptation to the many facets of the SSE, capacity development could follow a collaborative approach, creating spaces where all actors in the ecosystem can engage on an equal basis, to allow for knowledge transfer and experience sharing. The government of Ontario in Canada supported consultations with a wide range of social and solidarity economy stakeholders to identify the types of methodologies and problems they were facing concerning social impact measurement. This led to collaborating with academics and practitioners to convene a Social Impact Measurement Taskforce and a strategy for social impact measurement capacity development in Canada: The Common Approach. Since 2018, the Common Approach work has involved academics, investors, policy makers, social and solidarity economy organisations, and the broader public in the design and delivery of content on social impact measurement. The breadth of activities stemming from this ongoing project includes advisory boards,

training videos, self-assessment tools, data standards and a roster of impact champions that work directly with social and solidarity economy organisations (OECD, 2021^[9]).

By opening up new networking opportunities, policy makers can foster the emergence of an inclusive community of practice that will spur the development and dissemination of domestic know-how around social impact measurement. For instance, by convening high-level conferences on this topic, public administration can attract and connect expertise in the form of skills and tools at the service of the SSE, stemming from different fields of research (e.g. management, social sciences, psychology, statistics, etc.) and sectors of activity. These debates can help spread a philosophy of learning within the SSE ecosystem, by identifying both successes and failures, and thus empowering SSE entities to capitalise on learnings and to avoid pitfalls in social impact measurement. In Greece, for example, the Directorate of Social and Solidarity Economy established support centres to facilitate networking of SSE entities (see Making it happen 4.3). In Belgium, the Wallonia Region provided grants to establish a roster of social impact measurement experts to promote measurement methodologies among SSE entities (see Making it happen 4.4).

Policy makers can foster the emergence of a cohort of impact analysts that have the technical skills but also the necessary sensitivity to the specificities of the SSE. There is a need to raise both the number and quality of dedicated social impact professionals (Hehenberger and Buckland, forthcoming^[10]). This may require the provision of specific training (e.g. in a “train the trainers” approach) or the certification of existing qualifications. Besides improving the availability of local expertise to accompany the implementation of social impact measurement, it might also develop the offer in terms of social impact verification, commonly provided by third-party service providers. Nonetheless, given the importance of building in-house capacity on impact measurement (Ruff and Olsen, 2018^[11]), SSE staff could also be encouraged to access such trainings and qualifications.

Making it happen 4.3. Support Centres for the Social and Solidarity Economy (Greece)

Why?

The Directorate of Social and Solidarity Economy of the Ministry of Labour and Social Affairs of Greece has developed a platform, which facilitates the networking of SSE (KALO in Greek) entities in the country and provides advisory support.

What?

These Support Centres are established as part of the Operational Program on "Human Resources Development, Education and Lifelong Learning" of the National Strategic Reference Framework (NSRF) 2014 – 2020. They operate as information points for the SSE, providing advisory support for social enterprises through organisation of workshops and networking events and events that promote good practices. They aim to promote SSE entities to the general public with the provision of information through targeted actions and consulting services pertaining to the development of business plans, marketing plans and funding applications.

Impact

Currently, there are nine support centres listed on the platform for SSE entities, which are backed by respective municipalities or other implementing agencies.

Source: (Foreis-Kalo, n.d.^[12]).

Making it happen 4.4. Développons et évaluons Notre Impact Social (DENIS) Project (Wallonia, Belgium)

Why?

With an aim to stimulate the development of the social economy field and enable SSE entities to adopt impact assessment processes and tools, the government of Wallonia provided funding to the DENIS project over 24 months between 2020 and 2022. The objective was to disseminate the social impact assessment methodology developed in the VISES project (INTERREG, 2016-2019), which is based on a co-constructed, non-linear, qualitative/quantitative method of evaluation where stakeholders are involved from the start of the process.

What?

The project aimed at increasing the number of SSE entities engaged in social impact assessment as well as to increase the number of experts capable to lead the process. The DENIS project also aimed at capitalizing on the research results and experience of these coaches, to stress the added value of SSE activities within the socioeconomic ecosystem.

The project was structured around four operational objectives: (i) establishing a community of social impact assessment coaches; (ii) co-constructing research on social impact assessment in cooperation with academic experts and actors from the work field; (iii) training new coaches on social impact assessment; and (iv) disseminating the challenges observed in social impact assessment practices.

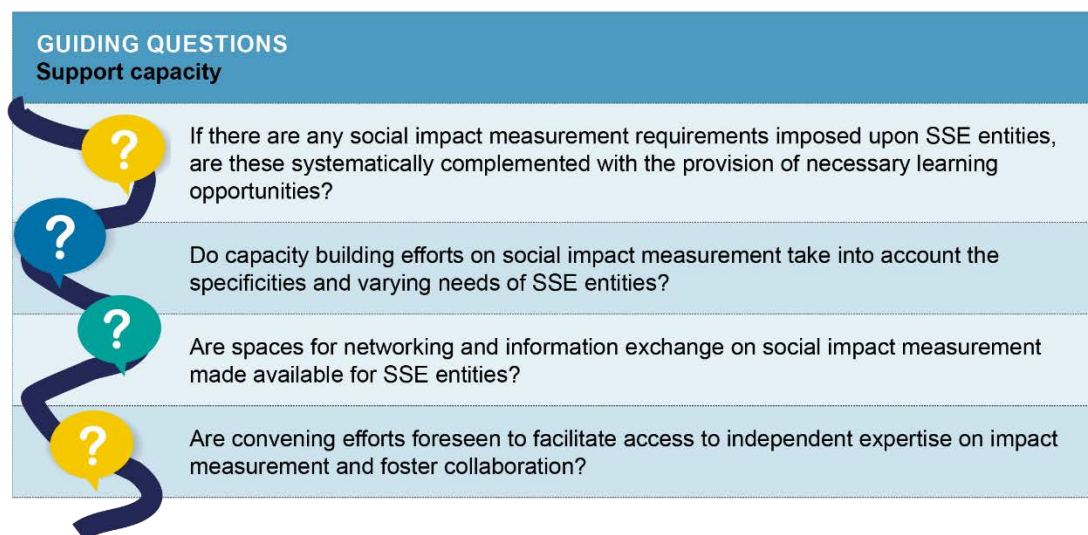
This project was led by ConcertES and involved seven partners in the Walloon Region: ALEAP, CAIPS, CES-ULiège, CIRTES-UCLouvain, Initiatives, SAW-B and UNIPSO.

Impact

As part of the DENIS project, 42 SSE entities received grants to conduct an evaluation of their social impact. The support provided by the Wallonia government (between EUR 4 000 and EUR 25 000 per entity) enabled them to put in place and implement social impact assessment processes, with the help of the DENIS trained coaches.

Source: (Interreg/Wallonie, 2021^[13]); (ConcertES, 2021^[14]); (Wallonie économie SPW, 2020^[15]).

Infographic 4.2. Guiding questions: Support capacity



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Note

¹ Two case studies on the value of social impact measurement have been published under the initiative: (i) [Global Sisters Pay Ltd](#) – a not-for-profit organisation to empower women financially, and (ii) [Vanguard Laundry](#) - a work-integrated social enterprise (WISE) delivering commercial laundry services in Queensland.



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