SIMI

社会的インパクト評価イニシアチブ

Social Impact Measurement Initiative

Social Impact Measurement Initiative Road Map Ver. 1.0 2017-2020

Promoting Social Impact Measurement for the Improvement of Japanese Society

THE 2020 VISION

To firmly and extensively establish social impact measurement by 2020 in order to solve social issues.

～12 Goals and 38 Actions～

社会的インパクト評価イニシアチブ

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Introduction Promoting Social Impact Measurement for the Improvement of Japanese Society

Japan's population is shrinking and aging at a rapid pace that is unprecedented in the world. As a result, the issues facing our society are becoming increasingly diverse and complex, and there is a limit to how far conventional, government-led approaches alone can respond to these issues. NPOs and NGOs, social businesses, and other similar organizations are poised to become indispensable actors in the effort to resolve these problems, and they will play an important role in creating a better Japanese society. They can do this by highlighting the "social impacts" that they create, thus attracting more human, financial and other resources to their programs. By showcasing and proving the social value that they contribute, and thereby making themselves accountable to their stakeholders, not only will they benefit financially, but motivated individuals with knowledge and skills will be drawn to participate in public-interest activities. This, in turn, will result in new innovations for solving social issues.

In light of these circumstances, with the objective of promoting the measurement of social impact in Japan, the Social Impact Measurement Initiative was established in June 2016. It will function as a platform to discuss the current state of social impact measurement (SIM), the challenges involved, future objectives for SIM, and approaches to meeting the objectives, as well as to take the lead in putting SIM into practice.

As one of its projects, the Social Impact Measurement Initiative has developed a vision for the promotion of social impact measurement in Japan by 2020 and a road map that brings together the approaches that achievement of this vision will require.

The road map has the following three features.

(1) It clearly outlines a vision to be achieved by 2020, including specific numerical targets and timelines for the actions necessary to realize the vision.

New projects will be launched into action by individuals and groups interested in different topics on the road map.

(2) It is an evolving road map.

In addition to periodic checks of the state of progress of each project, adjustments and improvements will be made to the required actions as appropriate.

(3) It is a road map developed by a multi-sector initiative.

A diverse range of stakeholders developed the road map. Many of them will continue to be active in its implementation.

Using this road map as a springboard, we will continue to discuss the issues involved with a wide range of people and launch specific actions aimed at achieving the vision. We invite you to join in this challenge to make Japanese society better through the promotion of social impact measurement.

Regardless of where you are, you can participate!

The promotion of social impact measurement will require the participation and cooperation of people in a diverse range of positions. There are a variety of roles that we hope that people reading this publication will fulfil from their respective positions.

- **All for-profit and non-profit entities that are actively engaged in finding solutions to social issues**
  We hope they will *practice* impact measurement and *turn it into a strength* that will help the entity *achieve growth* and *enhance its ability to solve social issues*.

- **Funders and fund intermediaries, such as foundations, funds, community development financial institutions, and NPO financial institutions**
  We hope they will clarify their objectives and grounds for extending funding, and allocate funding to programs and activities that will generate positive outcomes, as well as to the implementation of impact measurement.
  We also hope that they will become *impact-oriented* in their approaches to funding.

- **Intermediary support organizations**
  We hope they will lend their support to entities that are endeavoring to turn impact measurement into a strength and help those entities to practice impact measurement, while at the same time enhancing their own capacity to support the practice of impact measurement.

- **Think tanks, researchers, and other experts**
  We hope they will strive to build the intellectual foundations for the practice of impact measurement, and act as a bridge between knowledge and practice.

The actions of these various entities will bring about a major transformation in the flow of people and funding in the private sector, and will become a major asset in finding solutions to the increasingly complex and diverse issues facing society today.

About the Social Impact Measurement Initiative (SIMI)

The ***Social Impact Measurement Initiative (SIMI)*** was established in June 2016 with the aim of promoting the concept and practice of *social impact measurement* throughout Japan. It is a multi-sector initiative comprising non-profit and for-profit entities in the private sector, think tanks, intermediary support organizations, funders, researchers, national and local governments, and other organizations.

The members of the Initiative and its latest activities can be found on the following website.

[Initiative Members and Latest Activities]

http://www.impactmeasurement.jp/ (Japanese)

■ Road Map Development: Organization and History

This road map was developed by a working group comprising 32 organizations and individuals from among the Initiative's members.

A draft of the road map was made available for public comment from November 15 to December 14, 2016. Comments were invited from various sectors with a strong interest in this area, and based on these comments, the working group members consulted with each other to finalize the road map.

[Road Map Working Group Members (no particular order)]

Kumon Institute of Education Co., Ltd., Johnson & Johnson K.K., Ernst & Young ShinNihon LLC, IBM Japan, FUNDREX, Makaira KK., Mitsubishi UFJ Research and Consulting Co., Ltd., Cabinet Office (Government of Japan), ARUN LLC, The Osaka Community Foundation, Community Foundation Japan, The Toyota Foundation, The Nippon Foundation, Public Resources Foundation, CANPAN Center, AIDS Orphan Support NGO PLAS, NPO-Sodateage-Net Madre Bonita, PubliCo, Osaka NPO Center, K-Three Inc., Japan Association of New Public, Japan NPO Center, Japan Association of Chief Executives of Voluntary Organizations (JACEVO), Japan Impact Investment Task Force, Japan Fundraising Association, The SROI Network Japan, The Japan Evaluation Society, Japan Center for Non-Profit Evaluation (JCNE), Tatsuaki Kobayashi, Masataka Saburi, Fumi Tadaki

Basic Concept of Social Impact Measurement

■ What is Social Impact Measurement

Social impact measurement refers to the quantitative and qualitative evaluation of the “social and environmental changes, benefits, lessons, and other outcomes” of a program or activity, including short-term and long-term changes, for the purpose of judging the value of the program or activity.*1

■ Objectives and Significance of Social Impact Measurement

The words “evaluation” and “impact measurement” may invite concern and reservations, since they can evoke the notion of outsiders appraising or giving a score to one’s programs, and possibly even determining that a program’s benefits are not worth the cost of running it.

However, by its nature, measurement is used to extract value, so undertaking social impact measurement and taking advantage of its results can generate a variety of benefits, such as helping entities to achieve growth and improve their programs.

(1) Using impact measurement to facilitate learning and improvement in a program or activity

One objective of social impact measurement is to share social impact-related strategies and results within the entity and to use them in the entity’s management and decision-making. For enterprises, in particular, this is the most significant advantage of impact measurement. Enterprises can use impact measurement to verify their own programs and improve the allocation of staff and financial resources. In many cases, impact measurement enables the organization to achieve further growth by reviewing the program content and procedures.

(2) Ensuring accountability towards stakeholders in the program or activity

Another objective of social impact measurement is to provide accountability towards external stakeholders by disclosing social impact strategies and results to these stakeholders. This will allow the enterprise to promote the effectiveness of the program and facilitate communication with funders and other stakeholders, thus helping to attract further resources (financing, staffing, etc.). For those providing the funding, it will provide a clearer explanation of why they are supporting the particular programs they fund.

*1 *Promoting Social Impact Measurement*, Working Group on Social Impact Measurement (2016), Council for Building a Society of Mutual Assistance, Cabinet Office, Government of Japan

Road Map Overview

This road map comprises a vision of what we aim to achieve by 2020, and three main themes, along with their sub-themes, that outline the necessary approaches to achieve that vision. They are: (1) Cultivation of a SIM Culture; (2) Development of an Enabling Environment for SIM; and (3) SIM Best Practice Collection and Application. The road map also sets targets for each theme to be met by 2020 and action plans for achieving those targets.

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Themes	Sub-Themes	Theme Targets
(1) Cultivation of a SIM culture	(1-1) Cultivate a SIM culture in enterprises	• Existence of at least 1,000 entities (enterprises and funders) nationwide, in all regions and sectors combined, that subscribe to the “impact principles.”
	(1-2) Cultivate a SIM culture in funders	
	(1-3) Public awareness	• Expanded awareness of SIM among people of all age groups and sectors of society, with rate of awareness exceeding 10%. • Program operation based on SIM and an impact cycle that will be linked to the trustworthiness of the enterprise.
(2) Development of an Enabling Environment for SIM	(2-1) Develop SIM human resources	• Basic training completed for 1,000 people and practical training for 100 people on a national basis. • Implementation of specialist classes on SIM.
	(2-2) Develop SIM guidelines and tools	• Guidelines and manuals used by 80% of the entities that endorse impact-oriented principles, with resultant improvements in their program management. • Compilation and implementation of common indicators for the 20 sectors of (e.g.) the NPO Act.
		• Costs to carry out SIM provided by 90% of funders that endorse the “impact principles.” Establishment of a SIM support fund and provision of support.
	(2-3) Develop systems for SIM support (financial and technical)	• Uploading of 1,000 SIM cases to the Resources Center. • 1,000 participants in the peer network, and 5,000 peer reviews conducted.
(3) SIM Best Practice Collection and Application		• 1,000 diverse (including in terms of objectives, methodologies, sectors, areas, regions, etc.) best practice examples of SIM collected, indexed and utilized.

Theme 1 **Cultivation of a SIM Culture**

Roadmap development

The working group for “Cultivation of a SIM Culture” has envisioned what it would be like for the ideas and practice of SIM to be pervasively acknowledged and accepted in Japan. We have then examined what actions are necessary for enterprises and funders to cultivate a SIM culture, as well as to raise public awareness of SIM.

- **Enterprises:** We will work on establishing a loosely connected network of non-profit and for-profit enterprises that are interested in implementing SIM in order to foster constant improvement through information exchange and peer-learning within the network.
- **Funders:** We will work on establishing a loosely connected network of funders, including foundations, corporations, financial institutions, individuals and government bodies. Their first task will be to define “impact steps” for funders themselves, which will foster constant improvement through information exchange and peer-learning within the network
- **Awareness-raising:** We will work on strengthening information dissemination and raising public understanding and awareness regarding SIM.

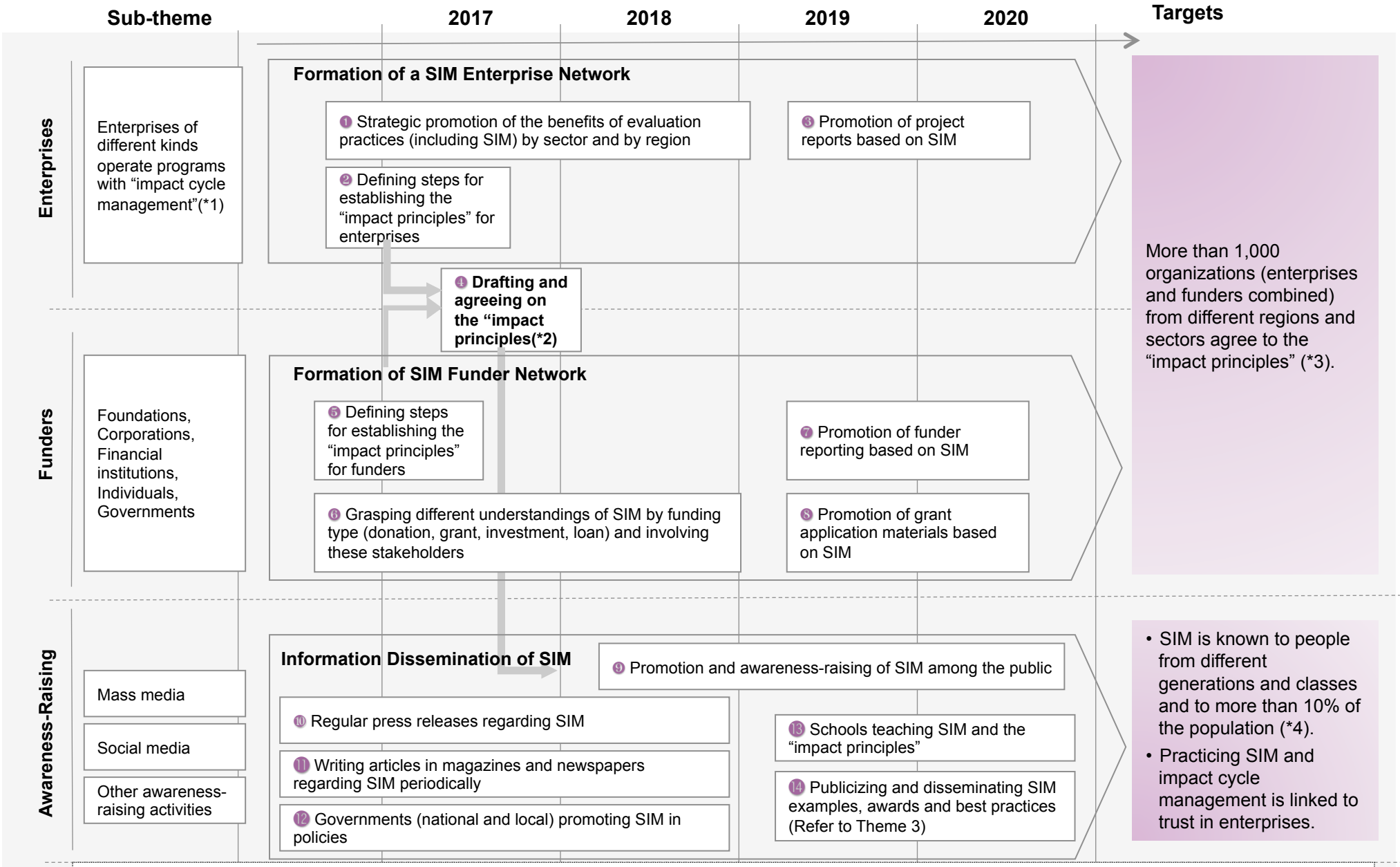
In the course of the working group discussion, we felt it particularly important to take note of the following:

- The process by which “Impact Reports” based on SIM are produced is just as important as the content of the reports, and this is where “impact cycle management” should be put into practice.

  “Impact cycle management” is a project management approach in which methods of maximizing impact and learning for improvement can be identified and made possible by going through the project management cycle of plan-do-assess-report/utilize.

- In order to cultivate a SIM culture, a good understanding of how different stakeholders would approach social impact differently is necessary. Therefore, it will be essential to establish and disseminate, in simple yet clear language, the “impact principles” that all stakeholders can agree on and adhere to.
- The priority for the funders is not to impose SIM practices on the enterprises that receive funding, but to utilize SIM ideas and practices for themselves.

Theme 1 Road map for Cultivation of a SIM Culture



*1 "Impact cycle management": Project management style in which benefits are generated by managing the project operating cycle of Plan-Do-Assess-Report&Utilize and by identifying ways of maximizing impact and learning methods of improvement.
*2 "Impact principles": A simple and clear statement which explains how impact orientation can be applied to various stakeholders.
*3 (Eg) Can be measured by counting the number of organizational sign-ups on the website.
*4 (Eg) Can be measured by taking polls with questions on SIM knowledge and understanding.

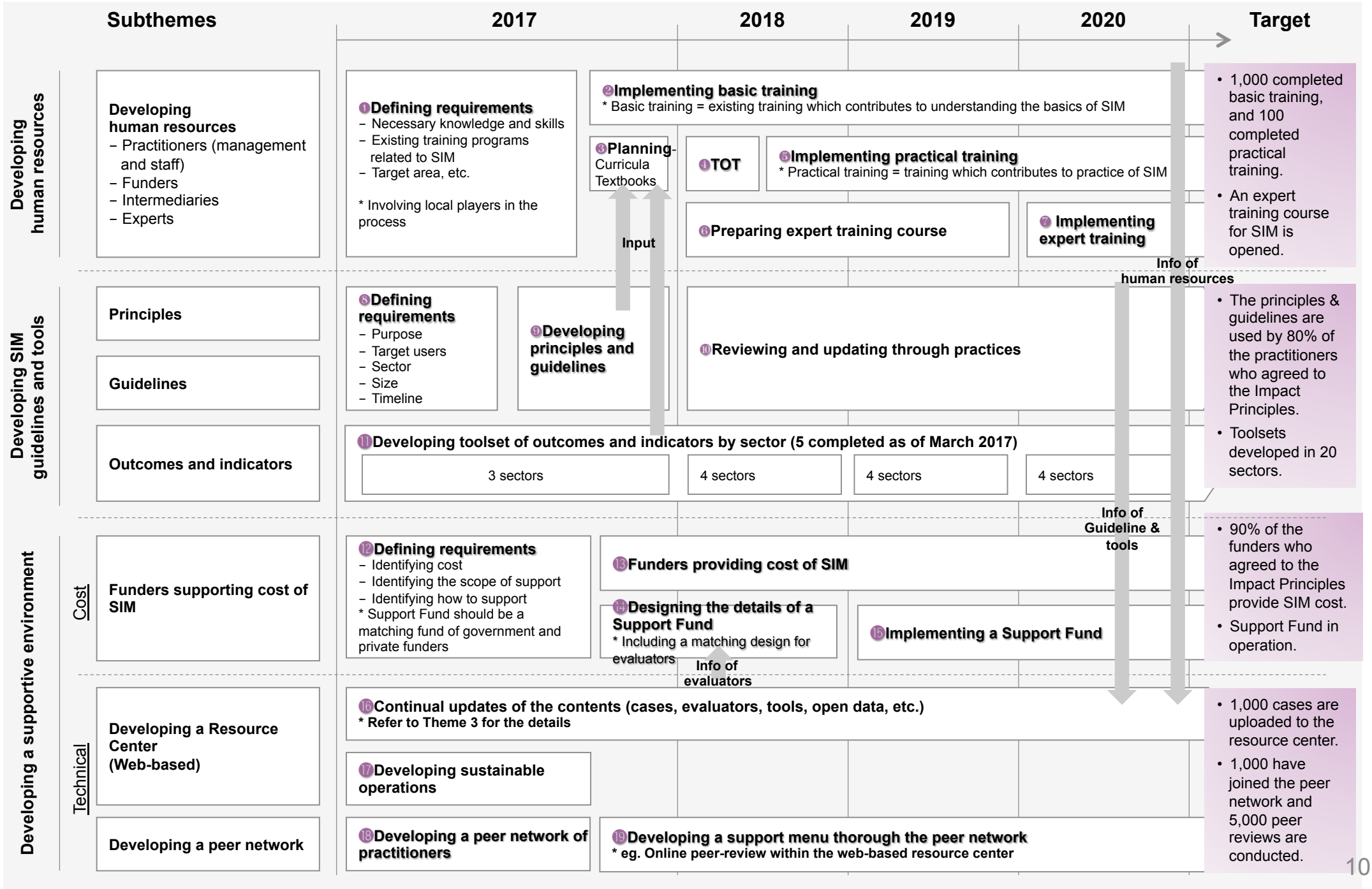
Theme 2 Development of an Enabling Environment for SIM

Roadmap development

The working group for “Development of an Enabling Environment for SIM” discussed what actions are necessary to develop an enabling environment for the practice of SIM. More specifically, it discussed actions to generate and strengthen necessary resources including human resources, funding, and information (including technical guidelines).

- **Developing human resources:** By providing training for practitioners (both management and staff), funders, intermediaries, and experts, we will work on developing human resources who can practice or support others to practice SIM. By 2020, we aim to have 1,000 people complete basic training and 100 people complete practical training.
- **Developing guidelines and tools:** We will work on developing principles, guidelines, and tools which anyone who wants to practice SIM can refer to. By 2020, we aim to have the principles, guidelines, and toolsets of outcomes and indicators developed and applied to program management in the field.
- **Developing a supportive environment:** We will work on developing a supportive environment of financing and technical assistance by establishing funds to cover the cost of SIM and providing a resource center where necessary information and knowledge is collected and indexed, as well as by developing a peer network of SIM practitioners. By 2020, we aim to have major funders and/or a newly established support fund to cover the necessary costs of SIM, a resource center providing useful information and knowledge, and a peer network functioning as a platform for peer technical assistance.

Theme 2 Road map for Development of an Enabling Environment for SIM



Theme 3 SIM Best Practice Collection and Application

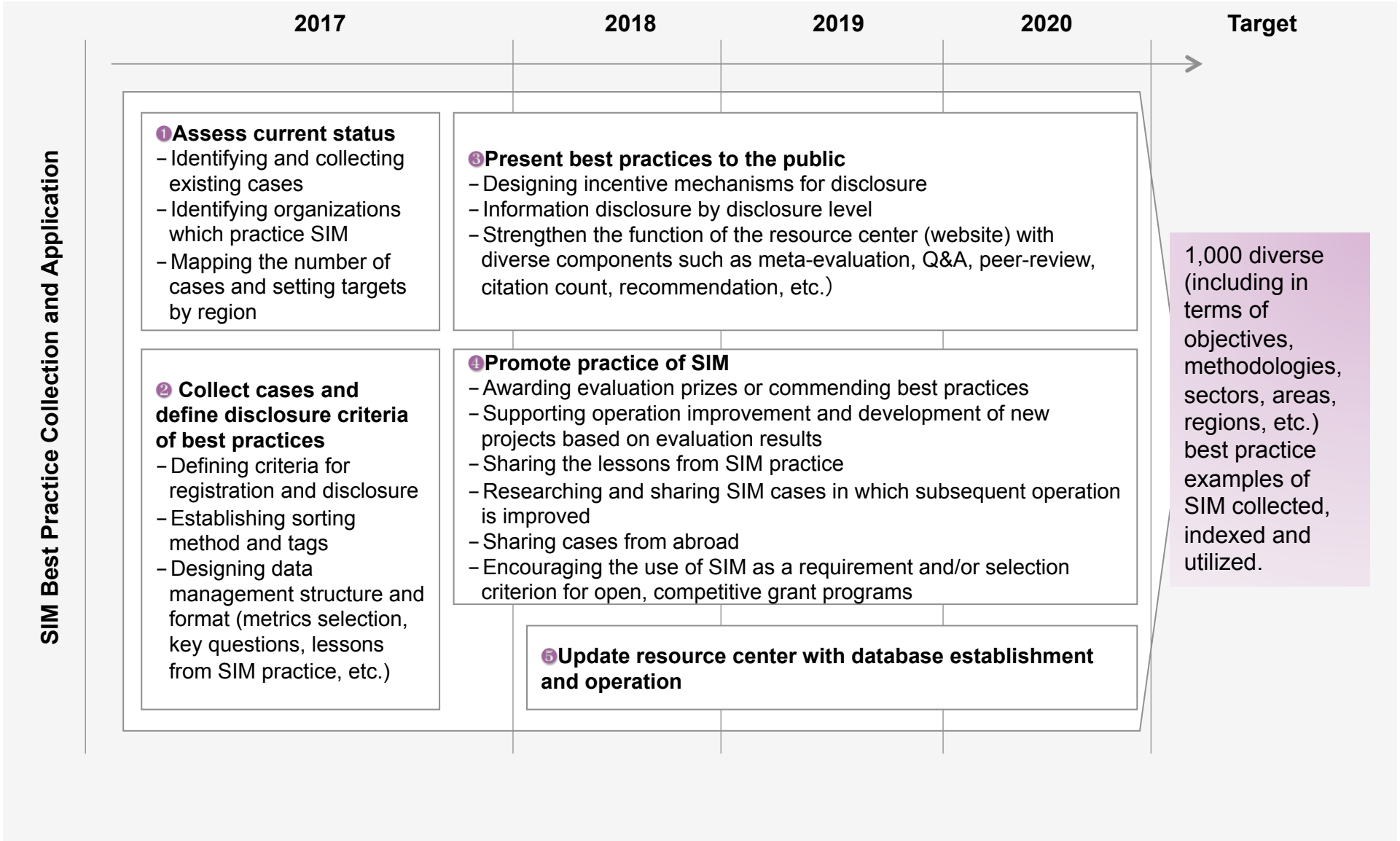
Roadmap development

Working Group on “SIM Best Practice Collection and Application” has developed the action plan required for collection of SIM best practices, refinement of evaluation quality, program improvement and other effective endeavors for enhancing best practice efforts, and the thorough SIM expansion that lies ahead. The action plan consists of 5 categories as follows:

- **Assessment of current status**：We will work on analyzing the present status of SIM practice by researching existing cases and organizations which have conducted a SIM.
- **Collecting cases and defining disclosure criteria of best practices**：We will work on examining the structure and methodology of SIM cases to be disclosed as best practices.
- **Presenting best practices to public**：We will examine information disclosure levels and methods so as not to negatively affect organizations which provide their cases. In addition, we will work on a framework design which can facilitate mutual communication and meta-evaluation, i.e. a type of evaluation conducted on an evaluation by another evaluator.
- **Promoting practices of SIM**：We will work on creating measures which can encourage organizations to make their SIM cases available to the public and thereby make accumulated best practices effectively utilized.
- **Updating the resource center by building and operating a database**：We will work on building and administering a website which will facilitate the action plans mentioned above, and will create circumstances in which every user can resister a practice and take advantage of the database.

By 2020, we will have 1,000 diverse (including in terms of objectives, methodologies, sectors, areas, regions, etc.) best practice examples of SIM collected, indexed and utilized.

テーマ3 Road Map for SIM Best Practice Collection and Application



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  - Part 3. The Future of Social impact measurement, Finally on the Move
    https://www.jfc.go.jp/n/finance/social/tokushuu15.html (Japanese)
- Social Impact Measurement Initiative Website
  A website that brings together information about social impact measurement from within Japan and around the world. NPOs and social businesses can access outcome indicators, best-practice examples and the latest information for use as reference when undertaking social impact measurement.
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- *Inspiring Impact: Working together for a bigger impact in the UK social sector"* (December 2011)
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