



Monitoring and Evaluation of CSR projects

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The perspective

The corporate social responsibility law that came into force in April 2014 mandates companies subject to the provisions of the Act to invest 2% of their net profit in CSR projects. For the successful implementation of any CSR project, it is desirable that the said project achieves the required objective. It is also equally important to ensure that the project makes the desired impact which was visualized at the time of selection & planning. The focus for corporates who see the law more as "compliance" has been on project "deliverables" than measuring social impact.

Organisations in all sectors face an increasing need to demonstrate the impact they're having, whether it's the social value delivered by public sector projects or the impact of a business' corporate social responsibility (CSR) programme. It's important to have strict and accurate monitoring and evaluation plan as part of any successful project implementation and CSR projects are no exception. It not only helps to be assured of implementation of policies as planned but also helps address intense public scrutiny and legal compliance. Designing Monitoring and evaluation (M&E) system is crucial for improving performance and ensuring success of the Sustainability & CSR project. M&E can help track progress and outputs systematically, measure outcomes and help you steer your social program in the right direction.

Monitoring is a periodically recurring task already beginning in the planning stage of the Sustainability & CSR project. It helps clarify project objectives, link activities & resources to the objective and translates them into performance indicator to set targets. It allows results, processes and experiences to be documented and helps us understand the status of the project at any given time. Monitoring acts as an alert that warns us about a problem to be remedied. The data acquired through monitoring is used for comparing actual results with the target for evaluation.

Evaluation is assessing, as systematically and objectively as possible, a completed or ongoing Sustainability & CSR project and help us understand why the intended results were achieved/ not achieved. It deals with the questions of cause & effect. It looks at relevance, effectiveness, efficiency and sustainability of particular intervention.

The M&E system that provides the information needed to assess and guide the project strategy, ensure effective operations, meet internal and external reporting requirements, and inform future programming. M&E is not an operational conversation, but rather it is a

leadership level conversation. It is critical to determine the 3-4 key indicators that are most important for your program, to understand if the program is working on the ground. This involves plotting

- The long-term impact you want to make
- Mid-terms outcomes which will get you there
- Short-term outputs of your program

It is important to quantify progress through numbers that directly indicate the value being delivered or the situation being improved. Today, there are standards available for everything one can measure quantitatively - in education, healthcare, skill development and so on.

Reporting:

As mandated by SEBI, CSR performance is disclosed & reported in the Annual Business Responsibility Report. Besides it is also mandatory for CPSE who publishes their report as per the DPE guidelines. The reporting should revolve around the following :

- Effectiveness of CSR activities: Is the project achieving its pre-set goals?
- Project relevance: Are CSR activities well-directed towards stakeholders?
- Coherence/Complimentarily: Are CSR activities well-coordinated?
- Efficient use of resources: Are the resources allocated for CSR activities utilized efficiently
- Development-policy effects: Are CSR project efforts contributing to pre-determined goals
- Sustainability: Will CSR initiatives keep continuing for long duration?

How Monitoring & Evaluation of Project benefits?

Monitoring and evaluation of CSR activities helps corporations in learning from past experiences, improving delivery system of CSR activities they undertake, systematic planning and optimizing resource allocation and measurement of results as a part of accountability to the key stakeholders.

- Assess and demonstrates Sustainability & CSR projects effectiveness in achieving its objectives and/or impacts on people's lives.
- Improves internal learning and decision making about Sustainability & CSR project design, how the group operates, and implementation i.e. about success factors, barriers, which approaches work/don't work etc.
- Assess the capabilities of implementing partners and plan future CSR projects based on their strengths.

- Ensures accountability to key stakeholders (e.g. community, Community members/supporters, the wider movement, funders, supporters)
- Can influence the government policy & help share learning with other communities and the wider movement.
- Track, assess and report the progress of the sponsored project and undertake course corrections. Helps CSR team to understand how each stakeholder has met assigned responsibilities.

Framework of M & E

A clear framework is essential to guide monitoring and evaluation. A framework should explain how the program is supposed to work by laying out the components of the initiative and the order the steps needed to achieve the desired results. A framework increases understanding of the program's goals and objectives, defines the relationships between factors key to implementation, and articulates the internal and external elements that could affect the programs success.

Considerations when developing a monitoring and evaluation framework

Asking questions:

- What are the objectives of the monitoring activities?
- What are the specific questions that need to be asked to gauge the progress of the intervention?
- What information is needed to see if activities are being implemented in the way that was planned, and who can provide that information?
- What are the objectives of the evaluation?
- What are the specific questions that need to be answered to gauge the impact and success of the intervention?
- What information is needed to determine if the expected objectives and outcomes were accomplished and who can provide that information?
- Determining whether the questions being asked are appropriate ones for understanding how "successful" the intervention has been with respect to its expected objectives and outcomes?

M&E of CSR projects : Suggested approach

- Develop a monitoring and evaluation plan that acts as a monitoring tool by defining how information from the program will be tracked.
- Different indicators demand different frequencies of measurement. Typically, skill outcomes, awareness building results, etc. can be measured in the short term (monthly, quarterly, etc.); action-based outcomes like policy change, behavior changes need to be evaluated in the long-term window. Impact indicators necessarily have a long measuring cycle. For example, an eventual change in environmental landscape or socioeconomic conditions can only be confirmed over a long period of time.
- To ensure we are making a real step change around sustainability and continuing to move the program

on to the next level, the M&E approach should go beyond measuring reach and adoption to focus on the outcomes achieved on the ground

- The implementation partners have to be involved completely in the M&E process since it has a bearing on the program design and also how they allocate resources and plan activities. They have the best understanding of grassroots realities and should be primarily responsible for data collection.
- Use Logical frameworks or logic models which provide a linear, "logical" interpretation of the relationship between inputs, activities, outputs, outcomes and impacts with respect to objectives and goals. They show the causal relationship between inputs, activities, outputs, outcomes and impact vis-à-vis the goals and objectives. Logical frameworks outline the specific inputs needed to carry out the activities/processes to produce specific outputs which will result in specific outcomes and impacts.
- Once the M&E framework, including performance indicators, are signed off with the implementation partners, they should ideally support the monitoring and evaluation process by creating simple tools and processes for data collection and analysis and set up a process for two-way feedback.
- Measuring returns from CSR projects
 - o Social impact index= Net improvement in quality of life, and number of lives affected due to the nature of the CSR activity and based on the needs of the Targeted Beneficiary (in terms of increase in awareness in social, economic, health, environment, education, political, and other areas of life etc)
 - o Economic impact index= Net improvement in incomes, wealth, savings, and assets, and number of lives affected, due to the nature of the CSR activity, and based on the needs of the Targeted Beneficiary(in terms of economic value created, income-generating assets created etc).
 - o ROI = (Net Social Value created for TB +Net Economic Value created for TB)/Financial Investment of the firm. ROI be calculated by external auditing firms every 6 months after the beginning of the project, until at least after 5 years of the completion of the activities to ensure that the impact is sustainable,

Conclusion

Ideally, an M&E process needs to be developed right at the beginning and incorporated in the overall implementation plan. However, even for programs where implementation has been initiated, the M&E framework can be worked upon and integrated. This may call for a minor (or major) change in the overall program design. Also, evaluations do not need to be carried out by a third party always. The most efficient and effective programs are those where the program managers collect data at regular intervals to analyze based on the M&E framework. Unless companies bring in the rigor of monitoring and evaluation into their CSR programs, they can neither ensure sustainability of their programs nor can they draw linkages between their program and any real social change on ground.