

FUNDING FOR LEARNING: IMPACT ASSESSMENT

Quality impact assessment requires investing in the systems, skills and time required to gather insight.

THE CHALLENGE: LEARNING AND COMMUNICATING WHAT WORKS

A common challenge for not for profits is the expenditure paid towards meaningfully assessing the impact of their projects. These costs count as overhead, a label which can create pushback against sufficient investment in this area.

Most not for profits understand that there's a need to measure and assess impact to know if they are making progress, and most funders require some kind of reporting. But without dedicated investment in their capacity to collect good data and stories to inform this reporting, it risks being shallow and tokenistic.

For funders to truly partner with not for profits to ensure good measurement approaches and accurate reporting, this may require additional funding or offering further support in the form of planning or data collection.

Considering impact assessment up-front is crucial to planning a project, and giving a strategic structure to the project and its overall outcomes. Impact assessment is also vital to appraise the value of existing funding and learn from those choices to commit funds more effectively in the future.

That's why it is incredibly important to provide funds for not for profits to create or employ their own evaluation tools and to invest in learning.

THE SOLUTION: FUNDING QUALITY IMPACT ASSESSMENT

Funding learning is crucial if the not for profit sector is to learn and adapt to the pace of social change today. As the world itself changes faster than ever, only nimble learning organisations will be able to keep up and make a difference in the long run.

Funders need to embrace an approach to impact assessment that goes beyond simple numbers and incorporates stories and case studies in addition to data and analysis to convey a comprehensive and nuanced presentation of their impact.

This requires investment in overhead.

Philanthropists can also create their own impact assessment tools, starting with a screening process and a set of criteria or questions to decide the viability of a project. Sharing these tools helps to attract more thoughtful and well-crafted funding applications more focused around the impacts the funder and NFP both aspire to create.

The **icare Foundation** is a new social venture created to invest in innovative projects and research with a strong focus on learning. One project is 'GP social prescribing' which invests in determining

whether a model that supports injured workers through non-medical assistance such as art or yoga, is more beneficial than a traditional GP's support model. They understand that ultimately it will require collaborative solutions to create sector-wide change, particularly in their focus areas of injury prevention, post-injury care and mental wellbeing.

The icare Foundation is now providing their own assessment framework based on impact for projects they fund. This ensures that their grantees have the ability to collect and assess impact measures. The icare Foundation's model includes a section for initial impact assessment or due diligence as well as ongoing impact monitoring.

"We're open to partners doing their own evaluation where they have that capability. But there may be instances where we need to get an independent evaluation," says Barney Rivers, Program Manager at the icare Foundation.

Spark Strategy is a leading Australian consultancy for the social sector. In their recent "Partnering for Purpose" white paper they emphasised the importance of this approach:

"MEASUREMENT OF IMPACT IS IMPORTANT – INVEST TIME AND ENERGY UP FRONT TO GET THIS RIGHT. NOT FOR PROFITS SHOULD ASK FOR FUNDING OR RESOURCES TO COVER THE COST OF MEASUREMENT."

George Liacos, Managing Director of Spark Strategy, also stressed that the field of impact measurement was evolving, moving away from hard quantitative measurement to rounder, more holistic views of the impact, often best captured and told by stories. This may require a further investment to build the required skillsets, or bring in people with skillsets to help.

THE OUTCOME: A BETTER UNDERSTANDING OF WHAT'S WORKING

The benefit of creating an impact assessment framework is to assign value to impact in a way that is transparent, credible and shareable.

By investing in capturing stories and data about outcomes, both philanthropists and not for profits can learn from previous projects and create a feedback loop to improve future projects.

The best impact assessment should be a blend of quantitative and qualitative, to fully capture the impact on the lives of beneficiaries and systems. However, this impact assessment process is relatively new and requires investment and support for charities to perform well.

Investing in this capacity can also create benefits for the entire sector, as learnings are shared and built upon.