

# Peer-learning Partnership: Putting Stakeholders at the Center in Impact Measurement and Management



OECD  
Global Action  
Promoting  
Social & Solidarity  
Economy Ecosystems



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## What did this partnership address?

Impact measurement and management (IMM) helps identify the positive and negative effects one's business actions have on people and the planet, and then promote positive impacts, ameliorate negative ones and explore areas of possible improvement. The partnership aims to look at effective mechanisms in the Social and Solidarity Economy (SSE) that, on one hand, can leverage people's insights in decision-making that affects them, and on the other hold organisations to account for the impact they have on people's lives and on their environment.

SSE and conventional economy actors often engage with their stakeholders, whether in developing solutions, defining and measuring success, adapting service or product offerings, or managing ongoing performance. These stakeholders may be investors, employees, members or customers. However, adoption of effective practices for impact measurement and management stakeholder engagement is extremely inconsistent. Only few organisations succeed in adequately integrating stakeholder voice in establishing social impact measures or managing impact throughout the lifecycle of a program, business, or investment. Barriers are plentiful with perceived cost and effectiveness of engagement often limiting the approach taken, along with shareholder primacy, and/or bespoke practices that stymie interoperability.

That is why this partnership was created with clear focus on four specific objectives:

1. Understand the perspectives of stakeholder engagement for impact investors and enterprises;
2. Identify the range of current stakeholder engagement practices and the purposes they serve;
3. Identify barriers to and opportunities for amplifying stakeholder engagement to improve accountability in impact measurement and management; and
4. Develop capacity-building and policy solutions to address the identified barriers and opportunities.

### About Peer-learning Partnerships

Peer learning is an innovative and powerful approach to gather practitioners' insights, create communities of practice, and stimulate collective thinking.

As part of the OECD Global Action "Promoting Social and Solidarity Economy Ecosystems", funded by the European Union, six Peer-learning Partnerships have been set up to promote knowledge exchange and experience sharing on policies and practices for social and solidarity economy development.

## What did we learn?

Building on analysis of [11 case studies](#), the partnership concluded that **meaningful stakeholder engagement** requires all parties to have the capacity to engage. Moreover, meaningful engagement should be built around the following characteristics:

- **Inclusive:** engaging representatives of all relevant groups
- **Relevant and complete:** engaging on all the main issues that matter
- **Conversational and generative:** generating shared insights through dialogue
- **Timely and actionable:** generating data and insights that inform decision-making

[The District Development Model](#) that was adopted in 2019 by the South African cabinet exhibits these characteristics. Since the District Development Model aims to improve the coherence and impact of government service delivery with focus on 44 Districts and 8 Metros around the country.

Peer-learning confirmed the need **to create standards for stakeholder engagement** – such as those included in the [Sustainable Development Goals \(SDG\) Impact Standards](#) – especially to mitigate the risk of impact washing, green washing or SDG (rainbow) washing. These standards typically call for a verification or independent assurance process to determine if stakeholder perspectives have been recognised and taken into account in meaningful ways. They could be integrated through governance, management and adjustments to programme elements, service delivery or product features.

Stakeholder engagement requires organisations to have two types of **skills engaging with stakeholders and supporting decision-making process**. One type, for the frontline staff members who engage with stakeholders, includes the methods for engaging stakeholders with integrity and transparency; and capturing, analysing, sharing and using stakeholder information. The second skill type is for the decision makers so that they can: i) set the right internal culture; ii) ensure staff members have the appropriate skills and tools; iii) communicate responses to stakeholders respectfully and manage stakeholder reactions; and iv) evaluate the impact risks associated with decision making. The use of [learning loops](#) based on a few interactions with stakeholder's allowing to gather their perception supports acquisition of these skills.

The stakeholder engagement survey identified the three most significant facilitating factors for stakeholder engagement as top management commitment (72%), the organisations accountability to its stakeholders (71%) and organisational culture (66%). The hampering factors included lack of time (56%), lack of financial resources (47%) and the organization's processes and tools (35%).

Impact measurement and management requires utilisation of data to make internal changes based on stakeholder experiences and feedback. **Stakeholder engagement and data utilisation should be embedded in impact-driven decision making, quality assurance and policies**, as exemplified [in Social Value International's principles of Social Value, standards and guidance](#). However, data gathering could be an expensive process, suggesting that methods should be rightsized to the scope of impact that enterprises are endeavouring to create, including likelihood of negative or unanticipated impact.

Public policies that can help enable the conditions for meaningful stakeholder engagement to succeed include three elements: **raising awareness, building engagement capacities of all organisations, and creating an underlying conducive ecosystem**. The [Collaborative Initiatives](#)

[Project](#) undertaken by Japan's Ministry of the Environment highlights the importance of support public policies in promoting meaningful stakeholder engagement.

A **conducive ecosystem reinforces the role of public policies in enabling the conditions for meaningful stakeholder engagement** through organisational policies and practices focused on governance, management, strategy and transparency. For example, in the United States, federal environmental laws – including the National Environmental Policy Act – mandate stakeholder engagement to ensure, in principle, the inclusion of community voices in the planning, operations and monitoring of an investment, project or business activity that affects the environment.

Incentives can be one way to ensure effective stakeholder engagement for companies, investors, organisations, networks and partnerships. These **incentives could have different forms, such as recognition, administrative simplification, permits, preferred supplier status, subsidies or tax breaks**. The Republic of South Korea uses policy-created incentives for social enterprises to undertake impact measurement and management.

#### **Case study: Seoul Forest Cluster, Voluntary Cooperation across the Private Sector to Create a Common Language, Korea**

Impact Square (ISQ) – a Korean think-tank and consultancy – worked with the Seoul Forest Cluster social venture project to develop an easy and cost-efficient tool or approach to self-evaluate the impact created by each social enterprise company. They developed an approach of bringing together a variety of stakeholders to create common language around impact measurement and management. The process mainly consists of three stages: i) holding educational workshops, ii) using the self-reporting process, and iii) sharing feedback and consultation. Working in teams, the seminar participants initially practice with a sample case in preparation for using Impact Square's self-disclosure report platform. This process includes active feedback and interactions that ensure everyone involved is on the same page. The self-reporting system provides a framework in which the Impact Management Project's (IMP) five dimensions of impact and 15 impact data categories are embedded. Specific guidance is provided to make the use of IMP for measurement and reporting more relatable to Korean field practitioners.

The benefit of such an approach is clear when compared with the traditional top-down approach. This approach offers a valuable opportunity for each company to listen to its target beneficiaries and adopt the mechanism for assessing the company's created impact. In the 2-year period since this tool was launched, 68 organisations have gone through the workshops with their cases analysed in depth.

Sources: (SocialValueUS, 2022), <https://www.impactterms.org/impact-management-verification-assurance-use-cases/seoul-forest-cluster/>

### **Case study: Participatory Rural Appraisal, India**

Participatory Rural Appraisal (PRA) is an assessment and learning approach that places emphasis on empowering local people to assume an active role in analysing their own living conditions, problems, and potentials in order to seek a change of their situation. Changes are supposed to be achieved by collective action and the local communities are invited to assume responsibilities for implementing respective activities. This approach is also very relevant to impact measurement and management.

PRA activities are conducted in workshops lasting from 3 to 5 days. Planning of the workshop and the facilitation of tools is done in a multidisciplinary team of community 'insiders' and 'outsiders', which is typically gender balanced. The toolkit engages along the four experiences including geographic distribution, changes over time, mapping hierarchies and relationships between social groups, and supporting the community to have their voice heard.

Various techniques are used including community/participatory mapping, diagramming (resource mapping, Venn diagrams, etc.), focus group discussions, interviews, ecosystem mapping, etc. The members of the PRA team act as facilitators. The results are shared and discussed during the workshops and ensure that the local communities "own" the results of a PRA workshop as opposed to external experts. However, this approach is heavily contingent on highly trained facilitators, coordinators, and institutional champions.

As an example, PRA was used by Sambodhi Research for stakeholder engagement and mapping in the case of the Health Institute for Mother and Child (MAMTA), a non-governmental organisation in India. The aim was to explore relational linkages between the advocacy organisations and institutions which affect or are affected by MAMTA's advocacy efforts. Diagramming was used for this purpose and showed the relative importance of various institutions in the village, relationships and linkages among them. While some of these relations could be hierarchical and structured, others might be informal or even still-potential relations. Diagramming allowed mapping of these relationships to understand how the social space and how the advocacy ecosystem changes over time.

Sources: (SocialValueUS, 2022), <https://www.impactterms.org/participatory-rural-appraisal-pra/>

## Peer-learning approach

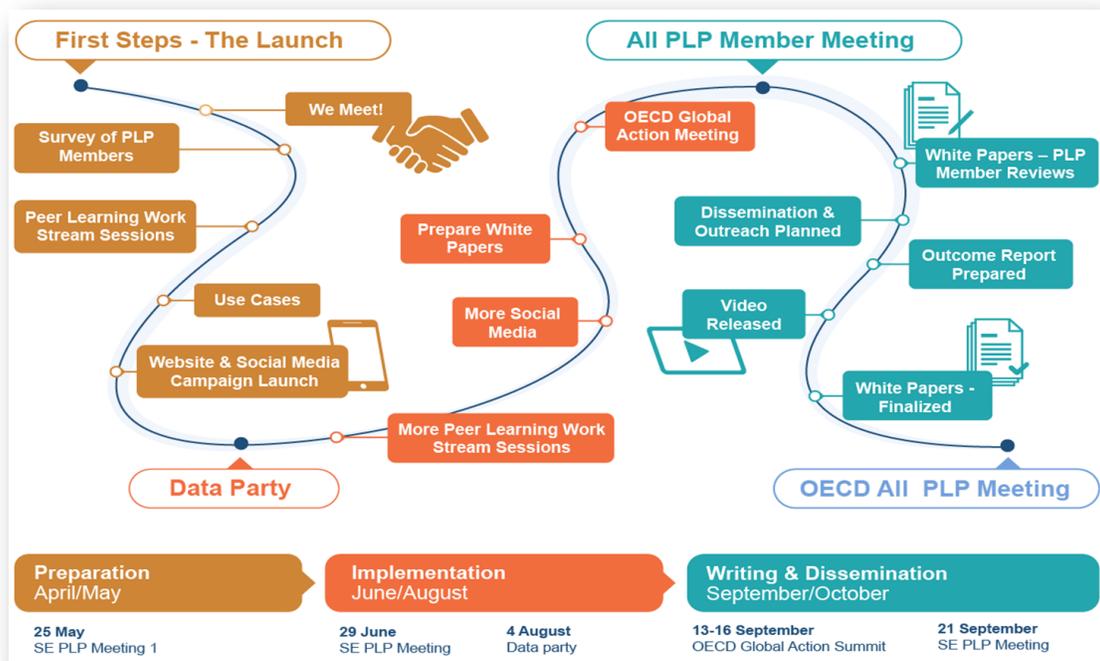
The peer-learning process took place along the ten steps (see image below) of the project going from the launch meeting, development of templates, use case development and analysis as well as development of the policy outputs such as white paper and the outcome report. These interactive steps helped to promote peer learning and were enhanced through the organisation of the knowledge exchange workshops in a virtual format. The workshop approach required preparatory background research, identification of good practices and case studies as well as analysis of the findings following discussions and peer learning.

The peer-learning integrated elements such as gathering use cases, seeking feedback from the partnership networks, and meeting in both large and small groups to explore this question in different geographical contexts as well as stakeholder groups. The large amount of meetings allowed authentic cross-sector and global feedback that was encapsulated into the working documents. This approach allowed to collaboratively explore shared challenges around the impact measurement and management and explore some of the successful cases to be promoted.

### Outputs:

- Peer-learning outcome report: [“Stakeholder Engagement in Impact Measurement and Management”](#)
- White paper: [“Towards an Enabling Environment for Meaningful Stakeholder Engagement: Levers for Government and Public Policy”](#)
- White paper: [“Building Capacity for Engaging Stakeholders to Better Understand and Manage Social Impact”](#)

Project webpage: <https://www.impactterms.org/peer-learning-partnership/>



## Peer-learning consortium

[Social Value US](#) leads the partnership focused on Stakeholder Engagement in Impact Measurement and Management. It brings together 26 partner organisations across 13 countries. The consortium partners included academia, businesses, civil society organisations, consultancies, impact investors, multilateral government agencies, national governments, philanthropies, social value organisations and solution providers. The full list is presented below:



Other participants included: Ministry of Economic Development and Technology, Government of Slovenia; Salesforce; Link2007; HIVA - Research Institute for Work and Society, KU Leuven; individual experts Karim Harji, Veronica Olazabal, Rhonda Evans.