

ASSESSING SOCIAL IMPACT TO INFORM POLICY DECISION-MAKING

Posted on 07/01/2026 by Naider

The transitions currently shaping our societies —social, environmental, economic and demographic— are neither automatic nor neutral processes. They require strategic decisions sustained over time, the mobilisation of resources and, above all, the capacity to understand what changes are actually taking place, for whom they occur and at what cost. In this context, **social impact assessment** ceases to be a secondary accountability exercise and becomes a **central tool for governance and strategic direction**.

Assessing impact does not simply mean measuring activity or justifying expenditure. It means producing knowledge that is useful for better decision-making: allocating scarce resources more effectively, comparing alternative interventions, improving programme design and communicating the value generated for society in a credible way. Evaluation approaches focused on results and impact respond precisely to this need to move from asking “what do we do?” to asking “what changes as a result of what we do?”.

It is within this framework that **SROI (Social Return on Investment)**-based social impact assessment models are situated, as they make it possible to translate relevant social outcomes into monetary value and relate them to the investment made. However, in complex social interventions —characterised by multiple actors, non-linear processes of change and medium- to long-term effects— SROI is only methodologically robust if it is embedded within a **broader evaluative framework**, grounded in a theory of change, ensuring stakeholder participation and providing rigorous traceability of the underlying analytical assumptions.

From measurement to decision: what an impact assessment should address

A social impact assessment system oriented towards decision-making must be able to answer, in an integrated way, four broad questions:

- **Effectiveness:** what changes occur, in which groups and under what conditions.
- **Efficiency:** what relationship exists between the results achieved and the resources used.
- **Additionality:** what share of the observed changes is attributable to the intervention and would not have occurred in its absence.
- **Equity and sustainability:** how impacts are distributed across groups and territories, and the extent to which the effects are long-lasting.

SROI provides a particularly strong response to questions of efficiency and additionality, as it requires counterfactuals to be made explicit and synthesises results into a ratio of social value generated. However, this ratio cannot be interpreted in isolation. For this reason, NAIDER's methodology incorporates the **“Value for Money” (VfM)** approach, which makes it possible to issue structured evaluative judgements on key dimensions that are not always monetisable, such as strategic coherence, distributive equity or institutional sustainability.

This dual approach avoids both quantitative reductionism and qualitative vagueness, placing

evaluation firmly in the realm of informed decision-making.

Defining scope and materiality analysis: deciding what to assess

One of the most critical —and often least visible— elements of any impact assessment is the definition of its scope. Assessing everything leads to superficial analysis; assessing too little can obscure relevant impacts. For this reason, NAIDER's methodology incorporates a systematic process of stakeholder identification and **materiality analysis**, aimed at prioritising changes that are simultaneously significant for the people affected and relevant from a social perspective.

This exercise makes it possible to justify transparently which impacts are included in the analysis and which are excluded, strengthening the legitimacy of the evaluative model and aligning it with the real concerns of the actors involved. Evaluation thus ceases to be a closed technical exercise and becomes a socially embedded process.

Indicator system: translating the intervention into observable results

The backbone of impact assessment is the indicator system. In NAIDER's approach, this system is structured across three clearly differentiated levels:

- **"Outputs"**, which capture the activities delivered and their reach.
- **"Outcomes"**, which capture the changes produced in individuals and groups (capacities, behaviours, trajectories).
- **"Impacts"**, which reflect broader social and economic effects, including avoided costs or systemic improvements.



Evidence and attribution: mixed methods and triangulation

Attributing social changes to a specific intervention requires combining different sources of information. For this reason, NAIDER's methodology is based on an evidence model grounded in **mixed methods**, integrating interviews, focus groups, surveys and document analysis.

Triangulation across these sources makes it possible to compare results, reduce bias and understand the underlying mechanisms of change.

This approach strengthens both the analytical robustness of the model and its explanatory capacity, particularly in complex intervention contexts.

Monetisation and counterfactuality: from gross value to net impact

The monetisation of social outcomes is carried out through **financial proxies** that represent the economic value of changes not traded in the market. However, the initially monetised value must be adjusted in order to estimate the real **net impact**. These adjustments include deadweight, attribution to other agents, displacement of impacts and the decline of effects over time.

The systematic specification of these adjustments is a core element of **methodological rigour** and makes it possible to interpret the **SROI** ratio with caution, avoiding simplistic or inflated readings of the value generated.

Beyond the ratio: the “Value for Money” approach

Although **SROI** provides a powerful synthesis of the value generated, an evaluation oriented towards decision-making cannot rely solely on a single monetary indicator. The **“Value for Money”** approach introduces a structured evaluative judgement framework that makes it possible to assess,

in an integrated manner, the **relevance, effectiveness, efficiency, equity and sustainability** of interventions.

This framework connects evidence with explicit criteria and facilitates comparison, learning and improvement, reinforcing the role of evaluation as a strategic tool.

Evaluation as an infrastructure for transition

Understood in this way, social impact assessment is not limited to producing reports, but builds a **knowledge infrastructure**: a validated theory of change, a stable indicator system, a traceable **“SROI” (Social Return on Investment)** model and a replicable **“Value for Money”** evaluative judgement framework. This infrastructure makes it possible to better orient public and social decisions, strengthen the legitimacy of interventions and learn in a systematic way.

In a context of deep and uncertain transitions, assessing impact is neither a luxury nor a mere administrative requirement: it is a necessary condition for governing change with responsibility and sound judgement.

