

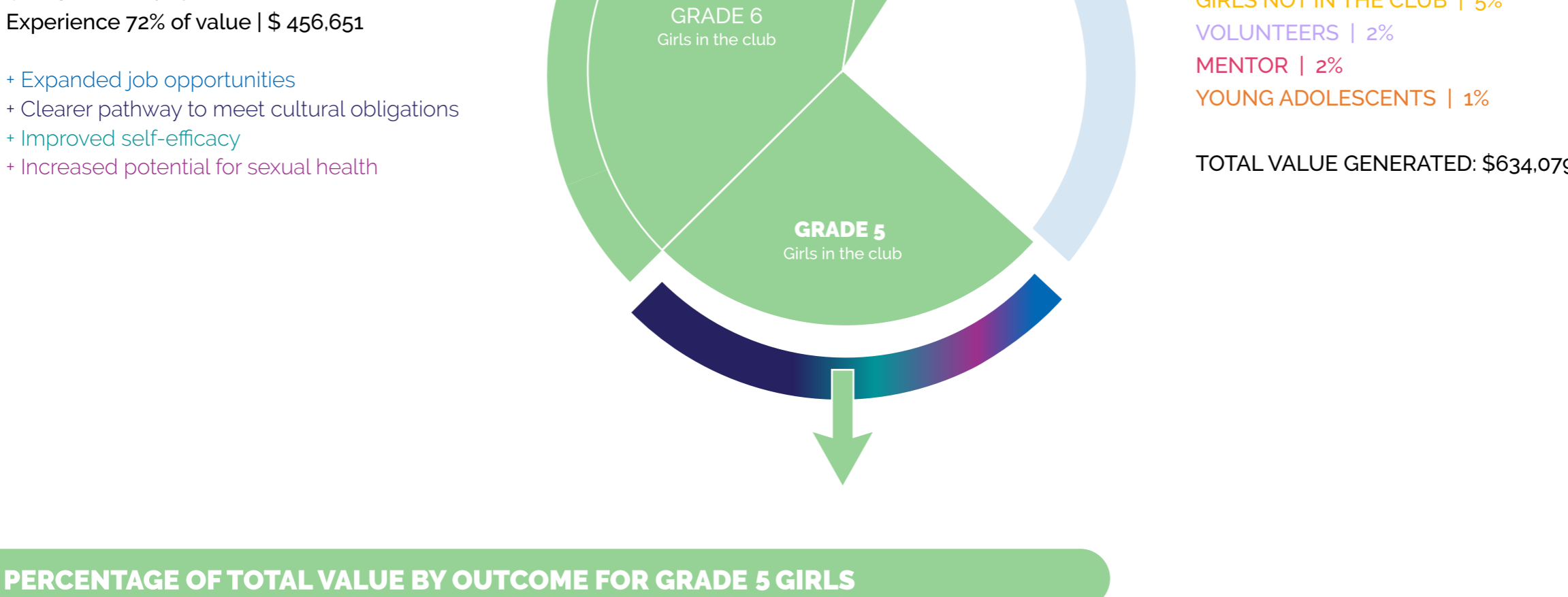
Female Empowerment Programme: Girls Clubs
The Methodology

THE PRINCIPLES OF SOCIAL VALUE

- 1 Involve stakeholders
- 2 Understand what changes
- 3 Value what matters
- 4 Only include what is material
- 5 Do not overclaim
- 6 Be transparent
- 7 Verify the result
- 8 Be responsive

Social Value International advocates for a **principles-based approach** and framework to account for value. The principles are a combination of accounting principles (for measurement) and management principles (for transparency and improved decision making). The principles are adapted from existing disciplines such as financial accounting, sustainability reporting, evaluation, and general social research. They have been designed to support the production of social value accounts' and decision making that optimises impacts on wellbeing for all materially affected stakeholder groups.

PERCENTAGE OF TOTAL PROGRAMME VALUE BY MATERIAL STAKEHOLDER GROUP



PERCENTAGE OF TOTAL VALUE BY OUTCOME FOR GRADE 5 GIRLS

What we heard directly from stakeholders



Stakeholder Engagement through Focus Groups and Interviews

- 1 First to determine outcomes (what, if anything, has changed)
- 2 Second to validate outcomes in the context of a theory of change, establish relative value of outcomes, discuss counterfactual, discounting factors, and valuation logic

WORKED EXAMPLE: EXPANDED JOB OPPORTUNITIES FOR GRADE 5 GIRLS

OUTCOME INCIDENCE

Achievement of this outcome was defined by the following two indicators:

- The number of Grade 5 girls who achieved 65% or higher as an academic average in 2022. **6/22 = 27%**
- The number of Grade 5 girls who tested as functionally literate in 2022. **10/22 = 45%**

These respective indicator results were weighted equally and averaged to determine the **outcome incidence, which was 36%**.

$$22 \text{ (TOTAL STAKEHOLDERS)} \times 36\% \text{ (OUTCOME INCIDENCE)} = 8 \text{ (STAKEHOLDERS WHO EXPERIENCED THE OUTCOME)} \\ \text{ROUNDED UP FROM 7.92}$$

HOW STAKEHOLDERS DESCRIBED IT

"I wouldn't have learned how to read English, and I wouldn't have understood the questions in writing my exams. I would have failed my exams. It's important to get good marks because otherwise you won't continue. You need to complete Grade 7 to go to Grade 12 for a job opportunity."

"If you don't know how to read (in English), you won't have a successful future. You'll be begging in the street, you'll be poor, you won't have anything because you won't have any options."

FINANCIAL PROXY

DEFINITION
Monetised amount assigned to a non-traded good

FINANCIAL PROXY

Through engagement with the stakeholders, we discussed the types of jobs that girls expected to obtain if they did not proceed on the pathway to quality education, and the most commonly cited example was a local housekeeper. The girls expressed that with a university education, however, they would be able to become engineers.

Proxy chosen was the Zambian market value difference between a starting annual engineer salary (\$3,584 USD) and the local annual housekeeper salary (\$708 USD) - **\$2,876 USD**.

ANCHOR METHOD

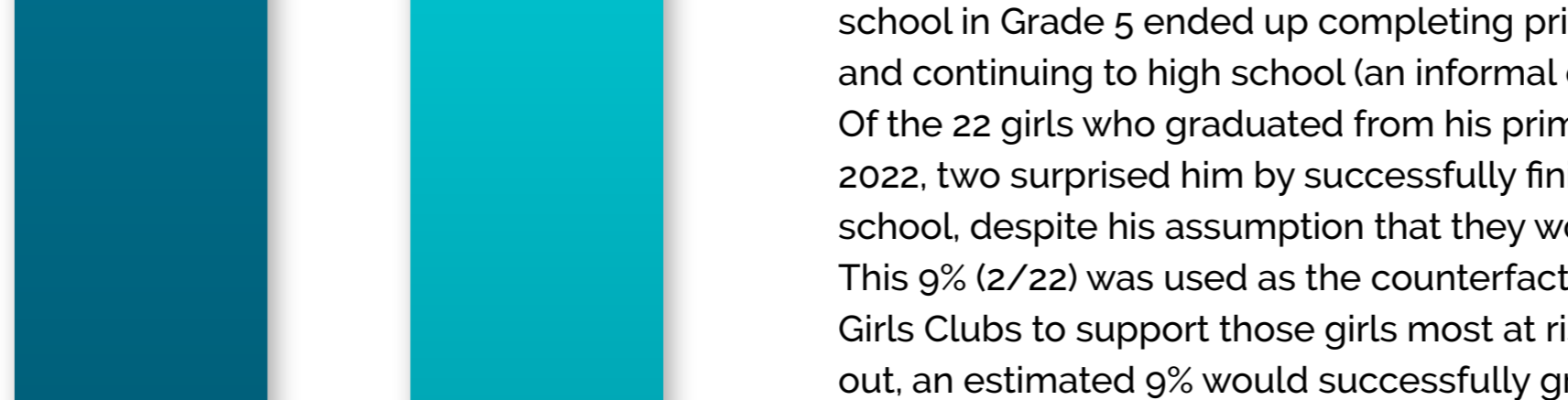
For each stakeholder group, one researched financial proxy was applied to one outcome based on:

- Stakeholder engagement
- Desktop research and/or available statistics
- Opportunity costs
- Avoided costs
- Revealed preference

This served as an anchor for the other outcomes, which were valued proportionately to the financial proxy according to how stakeholders weighted the relative values of the outcomes.

GROSS VALUE OF OUTCOME PER STAKEHOLDER BEFORE DISCOUNTING

VALUE DIFFERENCE
\$3,584 - \$708 USD = \$2,876

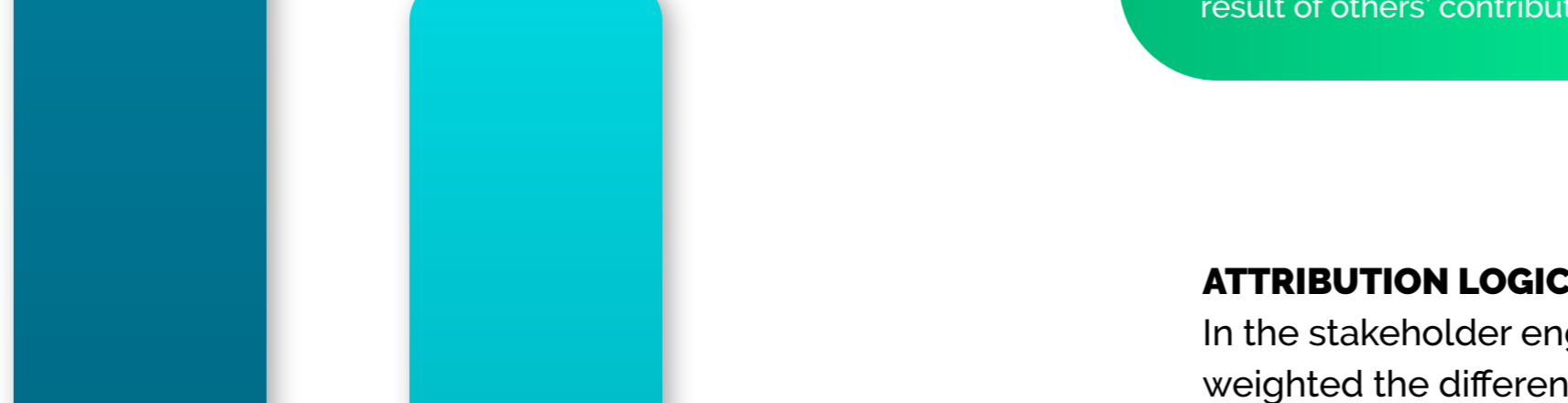


DEADWEIGHT

DEFINITION
The amount of the outcome that would have happened anyway, even if the activity had not taken place.

DEADWEIGHT LOGIC

Consulted a Head Teacher at another primary school without Girls Clubs to determine how many of the girls who were considered at high risk of dropping out of school in Grade 5 ended up completing primary school and continuing to high school (an informal control group). Of the 22 girls who graduated from his primary school in 2022, two surprised him by successfully finishing primary school, despite his assumption that they would drop out. This 9% (2/22) was used as the counterfactual; without the Girls Clubs to support those girls most at risk of dropping out, an estimated 9% would successfully graduate anyway continue on the educational pathway into high school.



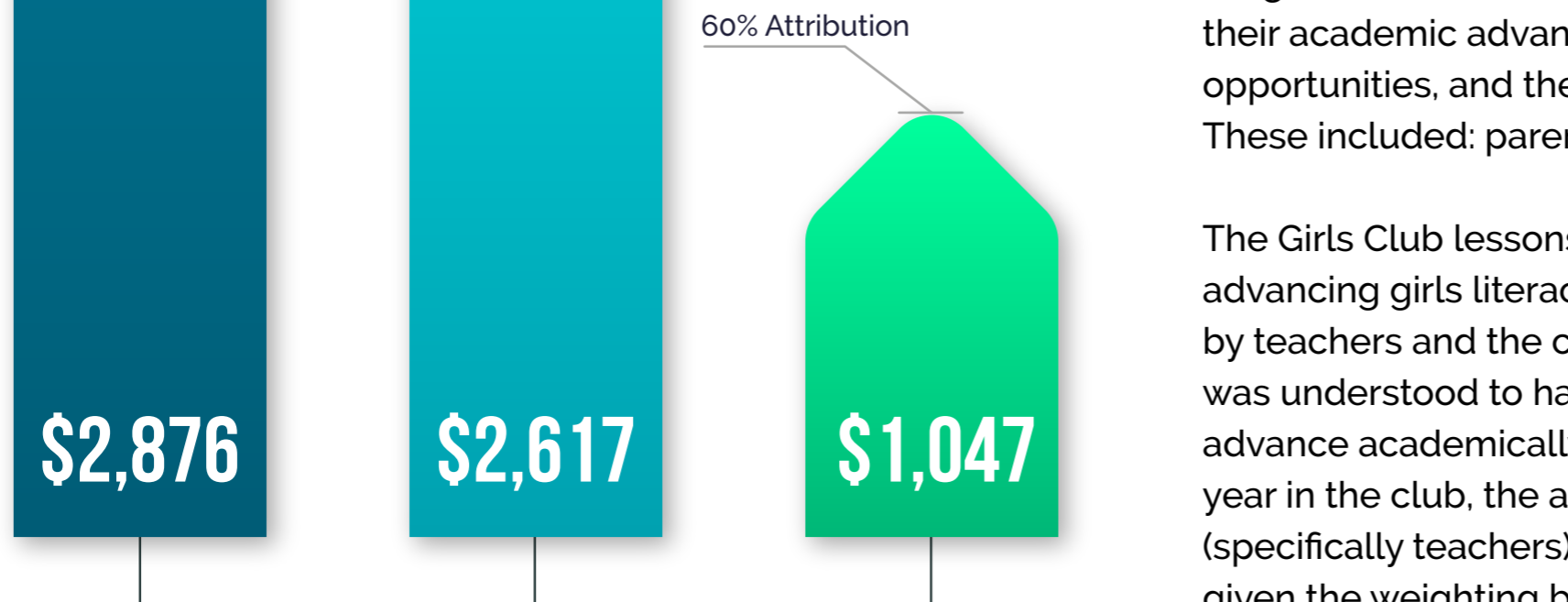
ATTRIBUTION

DEFINITION
Determining how much of the outcome was the result of others' contributions or other factors.

ATTRIBUTION LOGIC

In the stakeholder engagement, the girls collectively weighted the different stakeholders that contributed to their academic advancement and eventual expanded job opportunities, and the scale of their respective influences. These included: parents, teachers, siblings, and Girls Club.

The Girls Club lessons were considered more effective at advancing girls literacy than normal classes (as validated by teachers and the club mentor), and improved literacy was understood to have unlocked the opportunity to advance academically. For Grade 5 girls with only one year in the club, the attribution to other stakeholder groups (specifically teachers) was assessed to be more than 50%, given the weighting by the girls of the respective stakeholders' influences and further validation by other stakeholders. Attribution was therefore set at 60%, which means 60% of the proxy value after deadweight was attributable to other stakeholders.

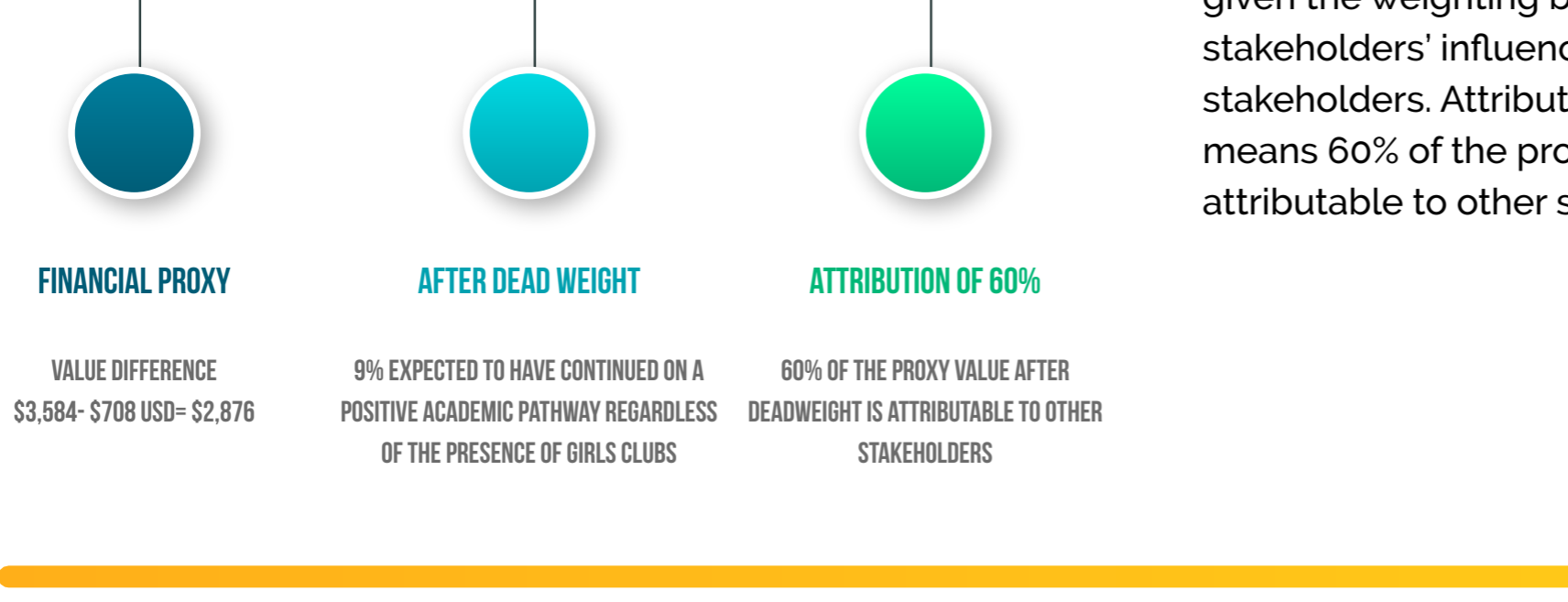


DISPLACEMENT

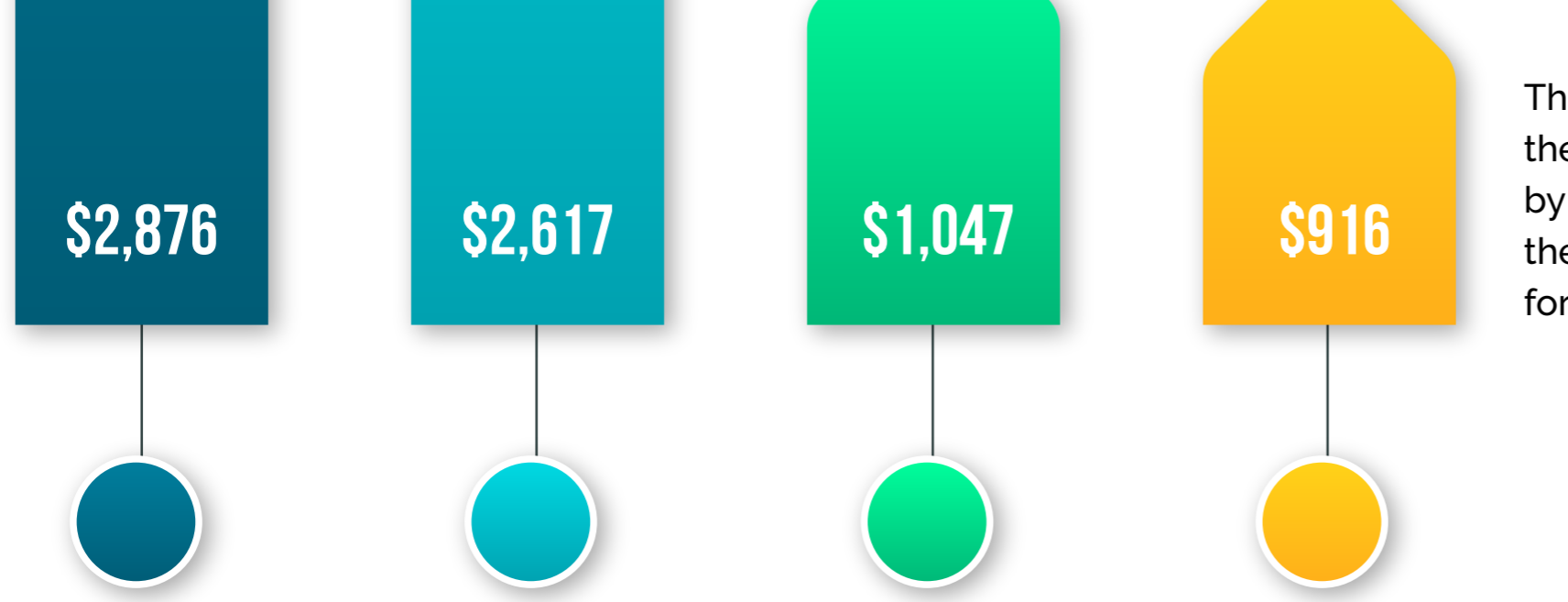
DEFINITION
The degree to which the outcomes achieved are offset by the creation of potential negative value for other stakeholders.

DISPLACEMENT LOGIC

The university graduate unemployment rate in Zambia is 12.5% (rounded up to 13%). The expanded job opportunities made possible through the pathway of quality education could come at the cost of other university graduates obtaining these same jobs. Only those university graduates who unsuccessfully competed for the same jobs as the stakeholders under analysis would remain unemployed and potentially displaced by the girls experiencing this value.



This amount of \$916 per stakeholder is the amount of value that can be claimed by the Girls Club. Next, the duration of the outcome was determined to account for the full value experienced over time.



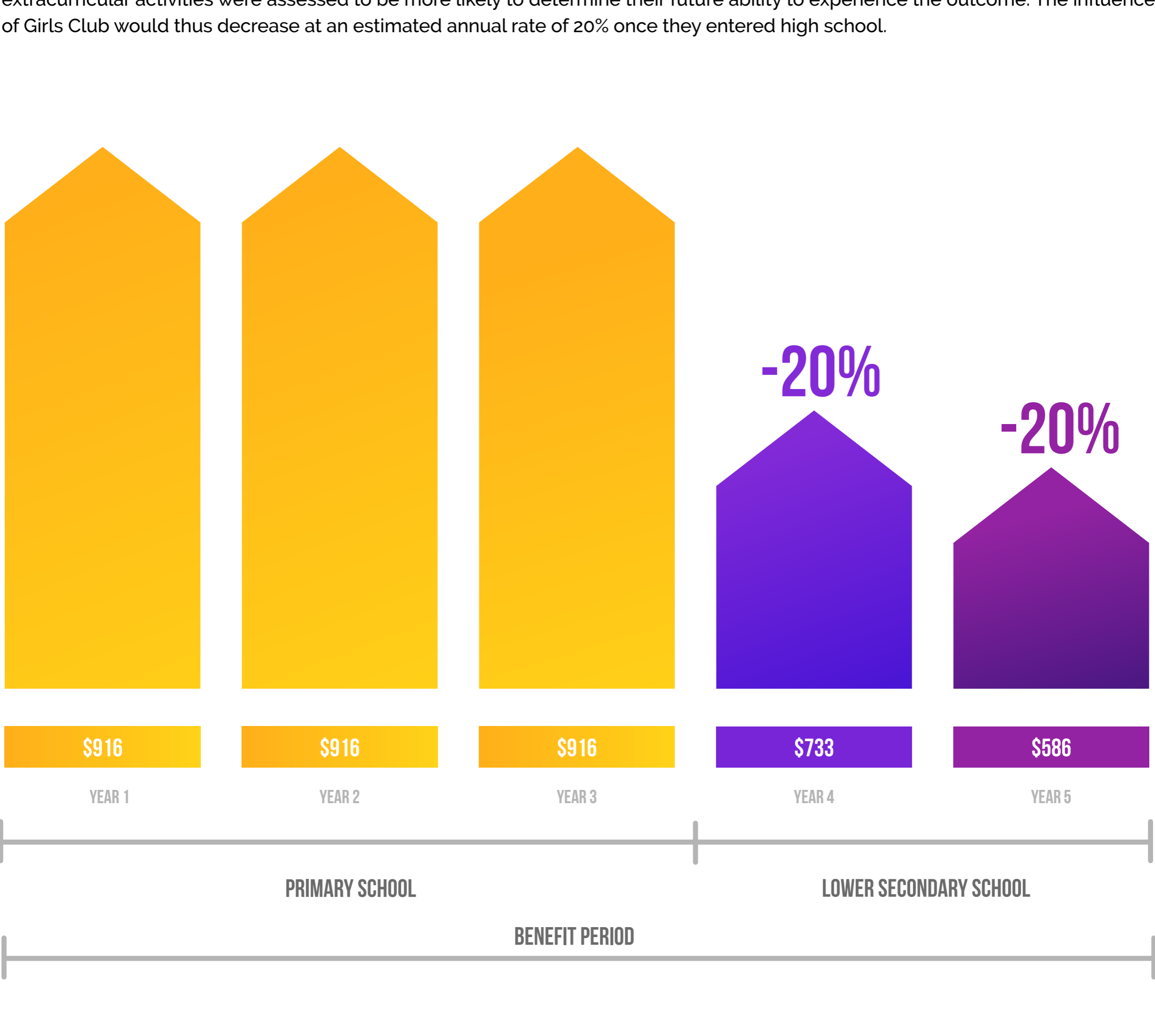
VALUE OVER TIME PER INDIVIDUAL STAKEHOLDER

BENEFIT PERIOD & ANNUAL DROP OFF

DEFINITION
The duration of time the outcome is assumed to last and the degree to which its impact on the stakeholder will be influenced by other factors for outcomes that last more than one year (with the understanding that attribution to the activities under analysis often decreases over time).

BENEFIT PERIOD AND ANNUAL DROP OFF

The benefit period was set as the length of time girls would spend in Girls Club (three years) and the first two years of high school. By the time girls advance to upper secondary school in Zambia (after the first two years), their academic performance and extracurricular activities were assessed to be more likely to determine their future ability to experience the outcome. The influence of Girls Club would thus decrease at an estimated annual rate of 20% once they entered high school.



$$\$916 \text{ (VALUE OF FINANCIAL PROXY)} \times 8 \text{ (STAKEHOLDERS WHO EXPERIENCED THE OUTCOME)} = \$7,255 \text{ (ANNUAL VALUE OF THE OUTCOME FOR THE STAKEHOLDER GROUP)}$$

YEAR 1, 2 & 3

$$\$733 \text{ (VALUE OF FINANCIAL PROXY)} \times 8 \text{ (STAKEHOLDERS WHO EXPERIENCED THE OUTCOME)} = \$5,804 \text{ (ANNUAL VALUE OF THE OUTCOME FOR THE STAKEHOLDER GROUP)}$$

YEAR 4

$$\$586 \text{ (VALUE OF FINANCIAL PROXY)} \times 8 \text{ (STAKEHOLDERS WHO EXPERIENCED THE OUTCOME)} = \$4,643 \text{ (ANNUAL VALUE OF THE OUTCOME FOR THE STAKEHOLDER GROUP)}$$

YEAR 5

$$\$7,255 \text{ (YEAR 1, 2 & 3)} \times 3 + \$5,804 \text{ (YEAR 4)} + \$4,643 \text{ (YEAR 5)} = \$32,212 \text{ (TOTAL VALUE)}$$

Five year benefit period with 20% reduction in value for the last two years, when girls are in the first two years of high school

DISCOUNT RATE LOGIC

The future returns of the outcome (years two through five) are discounted at 9% (Zambian interest rate in 2022) to reflect present value in real terms.

DISCOUNT RATE

DEFINITION
The rate of return used to discount future cash flows back to their present value.

\$32,212 Total value of the outcome "expanded job opportunities" for all affected stakeholders before applying the discount rate.

\$27,788 Total value of the outcome for all affected stakeholders discounted to the present value.

This methodology is applied to each outcome per materially affected stakeholder group and then summed to calculate the total social value of the programme. The value of negative outcomes is accounted for in the model. The total value is then divided by the total investment (financial and the value of in-kind contributions) to generate the final SROI ratio. For the Girls Club, 6 stakeholder groups experiencing a collective total of 14 outcomes (13 positive and 1 negative) were assessed to generate the total value of \$634,079 against investment of \$31,832, **yielding a social return of \$19.92 USD for every \$1 USD invested.**

