Stakeholder Engagement in Impact Measurement and Management: Peer Learning Partnership

PLP outcome report / OECD working paper

This report surfaces key learnings from a global peer learning partnership (PLP) focused on stakeholder engagement for measuring and managing impact. As part of OECD's Global Action Initiative supported by the European Union, this cross-sector global PLP explored ways to amplify and advance meaningful stakeholder engagement, particularly in the private sector among investors and entrepreneurs who seek both social and financial returns. Significant learnings shared include: i) effective practices in stakeholder engagement; ii) capacity building needs; and iii) enabling policy environments. This report affirms that accountability for impact will be significantly hampered without engagement of stakeholders most affected by business, development and investment activities. Although proven approaches to stakeholder engagement exist, so do many barriers. The report explores building necessary engagement capacities and supporting public policies to enable the conditions for stakeholder engagement. Together they will facilitate wider adoption of stakeholder engagement throughout the lifecycle of investment or business activities.

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Foreword

> *"Lacking a culture of authentic engagement, stakeholder engagement becomes an exercise in box-checking, a source of irritation for decision makers and the feedstock for external stakeholder cynicism."*

ABOUT OECD GLOBAL ACTION "PROMOTING SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEMS"

In 2020, the OECD launched the Global Action "Promoting Social and Solidarity Economy Ecosystems", funded by the European Union's Foreign Partnership Instrument, that will cover more than 30 countries over a period of three years. This work targets all EU countries and non-EU countries such as Brazil, Canada, India, Korea, Mexico and the United States.

As part of the OECD and EU strategic objectives to promote inclusive, smart, resilient and sustainable growth, this project aims to:

- Support Social and Solidarity Ecosystems (SSE), including social enterprise development and internationalisation

- Raise awareness and build capacity to conducive national and local ecosystems for SSE development

- Promote knowledge-sharing and other exchanges at the international level

A key aspect of the Global Action Initiative is the formation of consortia that convened Peer Learning Partnerships (PLPs).The PLPs were intended to "create knowledge and experience sharing opportunities between different countries and stakeholders on different topics critical to SSE developments" (OECD, 2020).

ABOUT THE PEER LEARNING PARTNERSHIP ON STAKEHOLDER ENGAGMENT IN IMPACT MEASUREMENT AND MANAGEMENT

The Stakeholder Engagement in Impact Measurement and Management Peer Learning Partnership--a 26-member, 13-country, multi-sector consortium – explored ways to improve stakeholder involvement in the impact measurement and management (IMM) of SSE products and services. The eight-month project (May– December 2021) was administered by Social Value US and guided by a representative executive committee. PLP members came from academia, businesses, civil society organisations, consultancies, impact investors, multilateral government agencies, national governments, philanthropies, social value organisations and solution providers (Annex A. List of organisations involved in the PLP consortia and in the PLP events).

This outcome report captures the learnings of the PLP's activities with an emphasis on policy and capacity building and a focus on the critical question relevant to SSE development: How can relationships with stakeholders shift to a norm in which stakeholders' views, including in IMM, are essential to the enterprise's success?

ACKNOWLEDGEMENTS

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Executive Summary

Global challenges and power asymmetries have led to a world where environmental and social justice is lacking. One reason for this is a lack of meaningful and ongoing stakeholder engagement by organisations, companies and governments. This global Peer Learning Partnership (PLP) explored ways to amplify and advance such stakeholder engagement, particularly in the private sector among investors and entrepreneurs who seek both social and financial returns. These individuals engage in impact measurement and management (IMM) in order to identify and promote positive impacts, ameliorate negative ones and explore areas of possible improvement. When doing IMM, it is important to identify, include and engage with all actors who affect, or are affected by, an activity.

- **The PLP had four main goals**: i) understand the perspectives of stakeholder engagement for impact investors and enterprises; ii) identify the range of current stakeholder engagement practices and the purposes they serve – with a focus on under-represented stakeholders and end-use beneficiaries; iii) identify barriers to and opportunities for amplifying stakeholder engagement to improve accountability in impact measurement and management; and iv) develop capacity-building and policy solutions to address the identified barriers and opportunities.

- **Learnings summarised in this report come from peer-to-peer learning sessions (both large and small), surveys, exploration of a set of exemplary use cases, and PLP members' on-the-ground examples** of meaningful stakeholder engagement from their different countries, sectors and perspectives. In response to the exemplary use cases, PLP members and their networks described compelling elements of the use cases, as well as potential challenges to their implementation. They also identified policy and capacity building as key themes emerging from the use cases and important thematic elements.

Building on this feedback, the PLP had two parallel work streams – policy and capacity building – running throughout the engagement. These work streams met bi-weekly for the majority of the PLP duration, were centres of additional peer learning, and produced thematic white papers to share their learnings as part of the PLP process.

- **The capacity building work stream underscored the need for meaningful stakeholder engagement and requisite distinct practices.** A second insight was that everyone has a role to play – not just external impact measurement professionals. Finally, the work stream reached a broad consensus that the areas of governance and decision making, skills and culture tend to impede meaningful stakeholder engagement, and that capacity building can address this.

- **The policy work stream focused on policy ideas and actions** of government agencies that can be applied to, complement and improve conventional market economy practices for advancing meaningful stakeholder engagement. It reinforced the role of public policies in enabling the conditions for meaningful stakeholder engagement through raising awareness, building capacity, and creating a conducive ecosystem of individual and collective organizational policies and practices focused on governance, management, strategy and transparency.

The use cases, white papers and additional content such as webinars and capacity-building resources will continue to be available on the PLP website. The hope is that the PLP relationships and knowledge exchanges will continue to grow and develop far beyond the short timeframe of the formal partnership.

1 Rationale

Background

Today's world reverberates with clarion calls seeking action against the widening inequality and unsustainable business practices faced across the globe. These calls range from the youthful pleas of Greta Thunberg to multilateral accords, such as the Paris Agreement, to shared global aims, such as the Sustainable Development Goals (SDGs). Individually and together they summon all sectors of society to reorient their actions at the individual, corporate, governmental and civil society levels, and to work collectively toward a more sustainable and just world in unprecedented ways.

While universal actions are important, power asymmetries clearly make it more likely that some sectors exert greater influence over the levers of change than others. For example, think of businesses that flourish in the context of unbridled capitalism and consistently value profit over people and planet. There are also governments that favour the perspectives of business leaders over citizens and gauge their well-being with economic measures such as their gross national product rather than societal measures such as the health and prosperity of people. And the disproportionate capital in the global North compared to the global South, the consequence of many factors, has led to a situation where much of the world's resource-rich land primarily benefits people thousands of miles away more than those who live in and around such land.

> *"Without stakeholder engagement, investment risks are harder to identify and material negative effects will more likely occur. With stakeholder engagement, organisations can work hand-in-hand with those most affected to jointly identify problems and solutions and engage in decision making; thus, unlock greater stakeholder value."* – Genesis Analytics (IMM and evaluation for-profit consultancy)[1]

The ideals that are part of **the social and solidarity economy (SSE) offer tools and approaches that may help address some of these imbalances**. That is why the PLP was drawn to the opportunity offered by the OECD and placed the values of SSE at the centre of the cross-sector and global PLP. It applied them not to replace, but to complement and improve conventional and emerging impact-oriented economic practices.

Every endeavour – whether in the SSE or conventional economy – should be accountable for its social and environmental impacts. These may be small and large impacts; some will seem trivial while others will be important.[2] Determining which outcomes and impacts to measure and how to respond to those impacts is vital to ensuring an organisation can fulfil its commitment to optimizing positive – and avoiding negative – impacts. The role of impact management and measurement (IMM) is to further positive impacts and ameliorate the negative ones while also considering other possible impacts yet to be revealed.

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. The engagement may be through meetings, surveys or customer satisfaction polls and can prove important to stakeholders' livelihoods and success. Equally important, especially when it comes to social and environmental impacts, are

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[1] Quote is from email exchanges with PLP members who were spurred by conversations in their policy and capacity-building work group sessions which asked why stakeholder engagement was important to them..

[2] In the words of the Impact Management Project, "Most companies and investments have negative *and* positive impacts on people and the planet." Learn more here.

the external, community-based stakeholders, meaning those who are living with the daily consequences and impacts of an actor's activities in their neighbourhoods.

Proactively engaging all stakeholders throughout planning, implementation and assessment-realignment-recalibration cycles aids in identifying, measuring and appropriately managing social and environmental impacts and their associated risks. This is not a new idea. Branches of the evaluation profession ground their work in the ideas of participatory, community and indigenous-led approaches that start at the problem-definition stage. The United Nations Development Programme's Sustainable Development Goals Impact Standards,[3] the Impact Management Project (WEF, 2017), the World Economic Forum (WEF, 2020), the OECD (OECD, 2017) and Social Value International[4] all speak to the importance of engaging stakeholders – including local communities – for risk management purposes.

> *"Meaningful stakeholder engagement amplifies the voices of those whose lives are most "impacted". It challenges power dynamics, creates solidarity and is a pre-requisite for achieving a more sustainable and fairer world."* – Social Value International (non-profit IMM trainer and consultancy)[5]

Given the importance of stakeholder engagement throughout any impact management and measurement process, **this PLP explored ways to amplify and advance the effectiveness of stakeholder voices in the measurement and management of social and environmental impacts by asking**:

What is needed to ensure all stakeholders are part of the design, implementation and evaluation of the solutions to the social and environmental problems we face across the world and in our local communities?

PLP members tailored the inquiry to make this question relatable to their political economic contexts. While SSE has a distinct meaning and history in some places, in others it is unfamiliar or even unsettling terminology. The PLP sought to avoid this distraction by focusing on the SSE values of community voice and democracy.

The PLP crossed political, economic and cultural context bridges to work together on this learning question by focusing the inquiry on impact. This has proven a unifying theme that is growing rapidly among both private and public companies, whether it is called ESG[6], impact investing or social enterprise. The PLP modelled inclusive and democratic practices on the way to achieving positive impacts and reducing negative impacts.

> *"Inclusivity and humility are central to the ethos of impact investing. Investors don't know what beneficiaries most value unless we ask!"* – Toniic (network of impact investors)[7]

The PLP had four main goals:

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 – with a focus on under-represented stakeholders and end-use beneficiaries
3. **identify barriers to and opportunities for** amplifying stakeholder engagement to improve accountability in impact measurement and management
4. **develop capacity-building and policy solutions** to address the identified barriers and opportunities.

Impact measurement and management processes begin in the design stages of a product or service life cycle, and extend to their implementation, assessment, evaluation and recalibration. The PLP incorporated two key improvement levers: i) build the capacity of all sectors to engage effectively as stakeholders and with other stakeholders; and ii) identify public policies that both reduce barriers to, and promote incentives for, effective stakeholder engagement. Along with listening and feedback methods, and

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[3] See SDG Impact Standards, SDG Impact Standards for Private Equity Funds, and SDG Impact Standards for Bond Issuers

[4] See SVI's Principles of Social Value Social Value

[5] See footnote 1

[6] ESG: Environmental, Social, and Governance criteria. Learn more here.

[7] See footnote 1

accountability and verification approaches, the PLP identified strategies that would offer joint stakeholder engagement solutions and prove sustainable across different countries and cultures.

Knowing it did not represent all SSE voices, the PLP did not assign value to or judge current stakeholder engagement practices or standards, create new SSE stakeholder engagement standards or conduct academic research. Instead, it **focused on learning from the practices of PLP members and their networks**.

Peer learning approach and its objectives

The PLP followed a series of interactive steps to promote peer learning and identify barriers to, and opportunities to improve stakeholder engagement in the SSE. Our journey is depicted in a map provided in Annex B Peer learning approach, along with a more in-depth description of these steps. The 10 steps included:

1. *Launch meeting.* Held informational meeting for relationship building and initiating peer learning.
2. *Survey.* Gathered information to collect perspectives and insights about uses of stakeholder engagement processes in IMM.[8]
3. *Stakeholder engagement model templates.* Standardised data gathering about existing stakeholder engagement models.
4. *Use case development.* Developed ten use cases that highlighted a range of stakeholder engagement practice utilised by PLP members.
5. *Use case feedback.* Standardised process for collecting feedback about likes, challenges, capacity building needs, and legal frameworks or government policies that would support effective stakeholder engagement.
6. *Data analysis.* Undertook systematic qualitative analysis and participatory process for interpreting data in a PLP-wide "data party".
7. *Work streams.* Held bi-weekly meetings for in-depth learning centred on policy and capacity-building.
8. *White papers.* Developed two stand-alone documents focused on capacity building and policy.
9. *Dissemination plan.* Supported ongoing awareness-building and learning approach, during and following the formal PLP convening period.
10. *Outcome report to OECD.* Summarised the key findings from the white papers and outcomes of the PLP learnings overall.

Working across 13 countries and 26 partner organisations required the PLP to suspend assumptions about what works and what does not. Instead, the focus called for listening to each other and compiling the frames of reference, experiences and research that have shaped the PLP members' approaches to stakeholder engagement.

> *"To know if our investments and business activities are truly changing lives, and how to improve our efforts, then we must engage stakeholders most impacted and listen better to those who matter most."* – 60 Decibels (IMM solution provider)[9]

The process of **gathering use cases, seeking feedback from the PLP's networks, and meeting in both large and small groups brought the complexity of this learning question into sharp relief**. It soon became obvious that this was not a simple, direct problem. It was complex, which meant change would only be possible if powerful and high-level system levers came into play.

What has become patently clear through the PLP's work is that **an abundance of approaches already exists for use in different contexts that engage stakeholders meaningfully** in the measurement and management

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[8] Survey informed the PLP learning sessions. After repeated attempts to ensure representative sample by geography and sector, responses remained overly skewed and not generalizable to a global cross-sector population; thus, we chose not to use the results in the report's findings. A survey report is included in Annex C Stakeholder engagement in impact measurement and management.

[9] See footnote 1

of impact. **What is missing are the enabling environment, leadership commitment, inclusive governance, resource allocation and capacity-building opportunities to make stakeholder engagement in impact measurement and management the norm** throughout the SSE, the emerging impact economy and the broad-based traditional economy. All of these missing factors can contribute to how stakeholders are centred in the equation for defining and measuring success and the ongoing management of impact.

2 Learnings

A major activity for the PLP was developing a collection of illustrative examples – use cases – that reflected a wide range of effective and meaningful stakeholder engagement practices (see steps 3-6 of the 10-step PLP process in Chapter 1). These use cases, grounded in wide-ranging and real-life applications, were fundamental in exploring the types of capacity-building and policy efforts necessary for advancing meaningful stakeholder engagement in IMM for the SSE, and for the adjacent and often-intersecting impact economy. The analyses of capacity-building and policy opportunities were developed into stand-alone white papers, which can be accessed here. Box 2.1 below summarizes the key learnings from the white papers.

Box 2.1. Summary of Key Learnings

Meaningful stakeholder engagement requires all parties to have the capacity to engage and appropriate public policies that enable the conditions for such skills to be fully utilized.

Meaningful stakeholder engagement is based on four characteristics:

- **Inclusive** – which engages representatives of all groups that matter
- **Relevant and complete** – which engages on all the main issues that matter
- **Conversational and generative** – which generates shared insights through mutual listening and responding
- **Timely and actionable** – which generates data and insights that inform decision-making

Capacity building. The main areas where lack of capacity often impedes meaningful stakeholder engagement are an organizations': governance and decision making, skills and culture.

- **Governance** – stakeholder engagement needs to be embedded in organisational structures and processes to inform decisions about strategy, implementation and resource allocation.
- **Skills** – stakeholder engagement requires organizations to have two types of practical skills. One type, for the frontline staff members who engage with stakeholders, includes the methods for engaging stakeholders with integrity and transparency; and capturing, analyzing, 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.
- **Culture** – governance and skills capacities fail without an accompanying deeper shift in the capacity of an organization's leaders to embrace the inherent benefit of stakeholder engagement and recognize that social value is co-created with stakeholders. Building decision makers' capacities and readiness to do so is foundational.

Policy. Public policies that can help enable the conditions for meaningful stakeholder engagement to succeed include three elements:

- **Raising awareness** – of the value and benefit of stakeholder engagement
- **Building engagement capacities** – of all organizations
- **Creating an underlying conducive ecosystem** – of complementary public policies that support and reenforce favourable stakeholder engagement practices within and across organisations.

Each of these elements may require improving the stakeholder engagement skills and mechanisms contained in current policies, or establishing new public policies. In either case, existing and new policies are or should be directed at, and have implications for, governmental and non-governmental actors and other stakeholders.

This section of the report introduces:

- the range and themes of use cases concerning stakeholder engagement practices
- perspectives about strengths and challenges related to the use cases
- major findings about capacity-building and policy opportunities based on feedback about the use cases, and the expertise and experience base of the PLP as summarised in box 2.1.

Use cases and perspectives on stakeholder engagement in IMM

Use cases that highlight a range of stakeholder engagement approaches were solicited from PLP members and included as part of the formal participation agreements with several of the PLP members. Additional use cases were provided by other PLP members who had strong examples they wanted to contribute. All of the use cases were distributed among PLP members, who then shared them with their networks to elicit comments. The more than 50 reviewers of the use cases represented diverse sectors and diverse geographies, including representatives of non-profit, impact investing and social enterprises, consultancies as well as other types of organisations such as national governments across four continents (as illustrated in Figure 2-1).

Currently 11 cases are available on the PLP website. PLP members will continue to add cases and to encourage dialogue about the cases.

Figure 2-1. Distribution of respondents commenting on the use cases
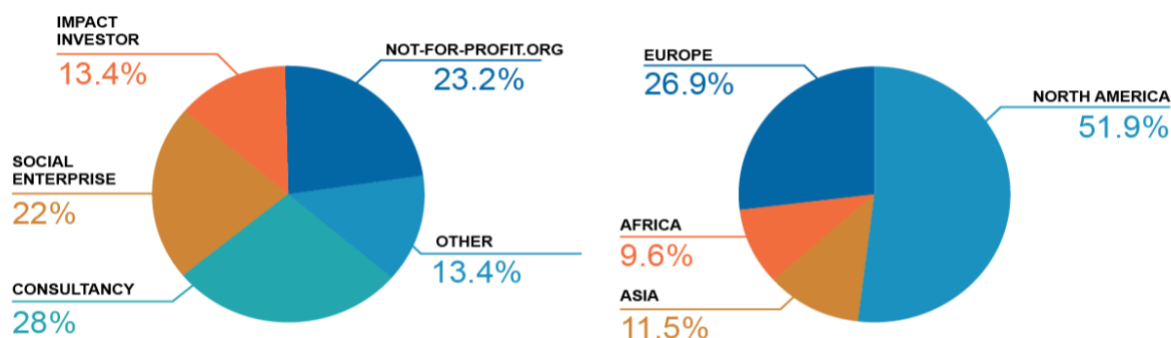
Source: Authors

The cases were organised into three clusters that spanned examples from four continents and a multinational governance body: Feedback & Learning, Impact Management/Verification/Assurance, and Joint Solutions. Each are further defined in Box 2.2 . While the PLP recognised that many of the cases fit into more than one category, it placed them according to where their primary intent fit most squarely. These categories also reflect particular orientations, purposes and contexts.

For instance, Impact Management-Verification-Assurance is used most often to assure public funders – such as governments, multi- and bi-lateral donors, and aid organisations – that investment in enterprises provides verifiable impact. In contrast, Feedback & Learning is primarily, but not exclusively, focused on private sector investors, social enterprises and NGOs. Joint Solutions embodies a wide-ranging set of solutions that typically involve partnerships of public and private sector entities, and communities affected by economic activities.

Analysis of the use cases included an inclusive in-depth discussion convened on 4 August with all interested PLP members. Prior to this "data party", described in Step 6 above, responses were coded and grouped in thematic categories. These categories were shared at the data party with illustrative examples. Figure 2.2 identifies the major findings that were shared with participants to enable a productive discussion based on qualitative data.

Box 2.2. Use case clusters

Feedback & learning. This set of impact and management methods recognises the value of stakeholder involvement throughout the planning, implementation and exit decisions. The extent and frequency of stakeholder engagement varies within and across methods, so they can be either one point in time or continuous. The commonality of this cluster is its emphasis on listening and learning the perspectives of stakeholders with respect to programmes, services and products. Specific processes may focus on decisions pertinent to operations, customer satisfaction or areas of improvement. In addition, they focus more broadly on impacts, both positive and negative, and intended and unintended. These methods are often relevant to investment portfolios, social enterprises and NGOs.

Impact management-verification-assurance. This set of frameworks and standards aims to mitigate the risk of impact washing, green washing or SDG (rainbow) washing. Accomplishing this calls for creating clear standards for stakeholder engagement that represents the perspective of those stakeholders who are most affected by activities. 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, such as through governance, management and adjustments to programme elements, service delivery or product features. These frameworks are relevant to all organisations seeking confidence that stakeholder engagement is meaningful to the point where it increases accountability and supports decision making that optimises social performance.

Joint solutions. This is a wide-ranging set of solutions that typically include partnerships involving the public sector, private sector and communities affected by economic activities. The methodologies are well established in social sector and public sector work but have typically been voluntary or implemented as a result of pressure from advocacy groups concerned with disenfranchised or marginalised populations that are disempowered. These methods are based on the premise that the people most affected by programmes, products and services have the greatest stake in reversing negative impacts and threats to their well-being. They also emphasise deep engagement with stakeholders, focusing on multiple perspectives in decision making and solution development, so that positive impact and the mitigation of negative impact and unintended consequences are more likely to materialise. Some of the numerous models and techniques included in this cluster are much less intensive and less expensive than others. Impact-oriented and mission-based investors and donors are typically attracted to this set of methods.

Source: Authors

Figure 2-2 **indicates that reviewers resonate with proven track records of approaches and comparability of data – among other practical and strategic factors – that make the case for routinely integrating stakeholder engagement practices for measuring and managing impact**. While there is a risk of poor or faulty implementation, the **reviewers highly favoured the methods that lean toward simplicity and affordability**. For example, they found formalisation of stakeholder engagement practices as a clear process, respect for stakeholder voices and valuing humanity as necessary conditions for meaningful stakeholder engagement. The risk of doing harm from ineffective or poorly executed practices weighed heavily on reviewers' minds. A clear message ran through all the comments: The practice of stakeholder engagement needs to be thoughtfully resourced with both time and money, and it should be treated with the same, respect as other business practices. Similarly, the approach needs to recognise potential power dynamics and intentionally address this in order to mitigate the risk of a failed process. Last, localization and context matter. What works in one context might not be appropriate in another.

There was extensive discussion about these findings during the data party. The following quotes from the discussions highlight what PLP members found compelling about the use case reviews and what challenges need to be addressed.

In response to the question: "What elements are jumping out [from the findings] that are compelling about stakeholder engagement approaches in impact measurement and management?" PLP members noted:

"Ability to be inclusive of stakeholders – the excuse of "it's too hard" is less compelling than it used to be given the more efficient and honed methods we now see" (Evaluator, South African company)

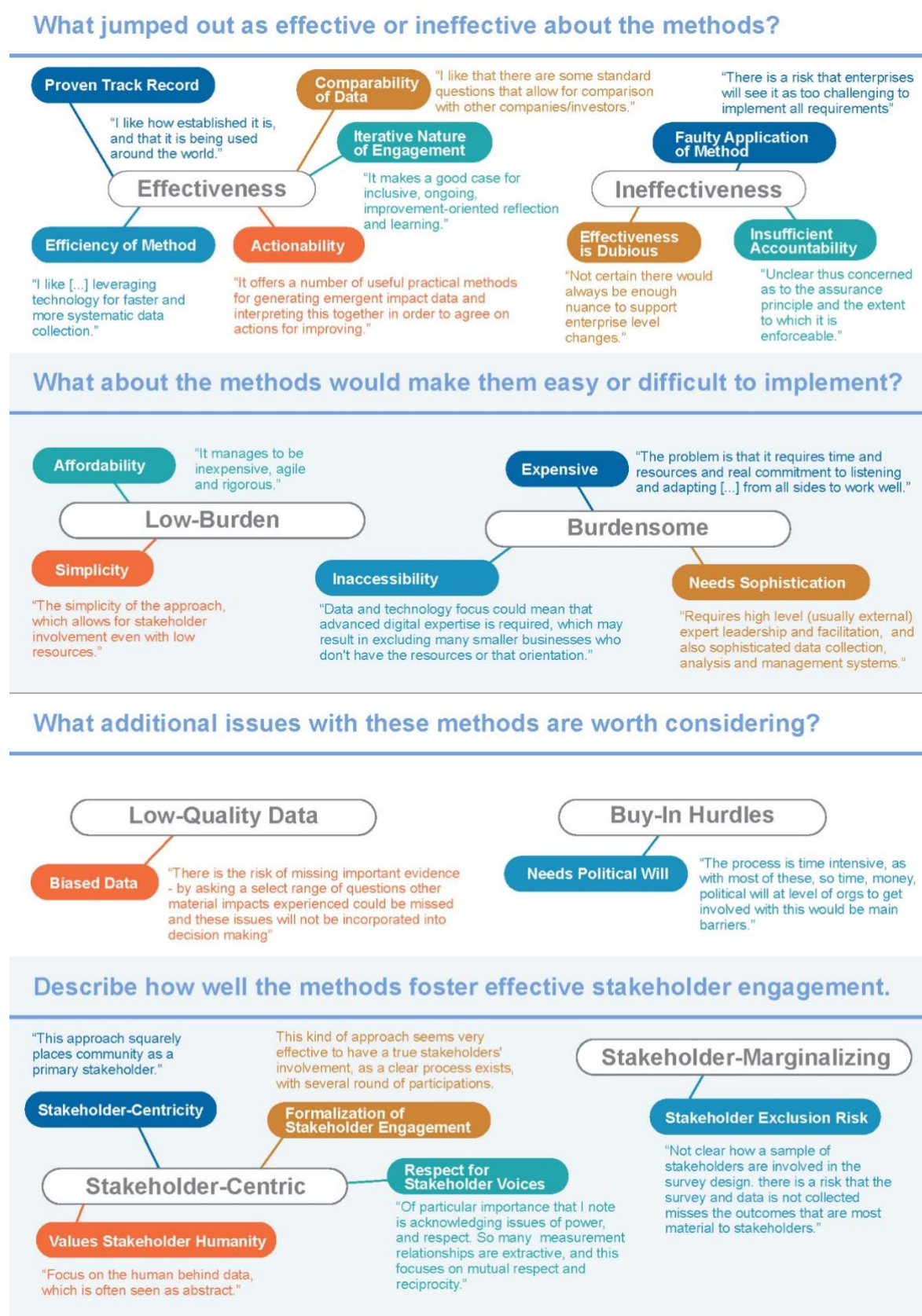*"Importance of acknowledging power dynamics and leveraging technology... both articulating and then addressing specific concerns about power dynamics" (Management Consultant, global consulting company)*

"The strongest approaches really demonstrate humility." (Impact Investor network leader, global network)

"Need to keep it easy, simple – stakeholder engagement is not difficult." (Social Value practice leader, global network)

Figure 2-2: What Reviewers liked and disliked about the use cases

What jumped out as effective or ineffective about the methods?

Proven Track Record
"I like how established it is, and that it is being used around the world."

Comparability of Data
"I like that there are some standard questions that allow for comparison with other companies/investors."

Iterative Nature of Engagement
"It makes a good case for inclusive, ongoing, improvement-oriented reflection and learning."

Effectiveness

Efficiency of Method
"I like [...] leveraging technology for faster and more systematic data collection."

Actionability
"It offers a number of useful practical methods for generating emergent impact data and interpreting this together in order to agree on actions for improving."

Faulty Application of Method
"There is a risk that enterprises will see it as too challenging to implement all requirements"

Ineffectiveness

Effectiveness is Dubious
"Not certain there would always be enough nuance to support enterprise level changes."

Insufficient Accountability
"Unclear thus concerned as to the assurance principle and the extent to which it is enforceable."

What about the methods would make them easy or difficult to implement?

Affordability
"It manages to be inexpensive, agile and rigorous."

Low-Burden

Simplicity
"The simplicity of the approach, which allows for stakeholder involvement even with low resources."

Expensive
"The problem is that it requires time and resources and real commitment to listening and adapting [...] from all sides to work well."

Burdensome

Inaccessibility
"Data and technology focus could mean that advanced digital expertise is required, which may result in excluding many smaller businesses who don't have the resources or that orientation."

Needs Sophistication
"Requires high level (usually external) expert leadership and facilitation, and also sophisticated data collection, analysis and management systems."

What additional issues with these methods are worth considering?

Low-Quality Data

Biased Data
"There is the risk of missing important evidence - by asking a select range of questions other material impacts experienced could be missed and these issues will not be incorporated into decision making"

Buy-In Hurdles

Needs Political Will
"The process is time intensive, as with most of these, so time, money, political will at level of orgs to get involved with this would be main barriers."

Describe how well the methods foster effective stakeholder engagement.

"This approach squarely places community as a primary stakeholder."

This kind of approach seems very effective to have a true stakeholders' involvement, as a clear process exists, with several round of participations.

Stakeholder-Centricity

Formalization of Stakeholder Engagement

Stakeholder-Centric

Values Stakeholder Humanity
"Focus on the human behind data, which is often seen as abstract."

Respect for Stakeholder Voices
"Of particular importance that I note is acknowledging issues of power, and respect. So many measurement relationships are extractive, and this focuses on mutual respect and reciprocity."

Stakeholder-Marginalizing

Stakeholder Exclusion Risk
"Not clear how a sample of stakeholders are involved in the survey design. there is a risk that the survey and data is not collected misses the outcomes that are most material to stakeholders."

Source: Authors

What PLP members recognised as challenges associated with stakeholder engagement are highlighted in these sample statements from the data party. Their quotes illustrate responses to questions: i) What concerns are threatening implementation of stakeholder engagement approaches? and ii) What does the feedback tell us about the features that are most relevant for PLP membersto promote for stakeholder engagement in impact measurement and management?

> *"In Mexico, where there is communally owned property in rural areas, important that any method respect traditional decision-making processes in that community" (Representative from NGO, Mexico)*
>
> *"People generally do not see the benefits (especially long-term benefits) of stakeholder engagement. It boils down to building democracy, but people have other priorities in this age of the primacy given to economic priorities." (Civil society leader, Japan)*
>
> *"Inclusivity while addressing any real or perceive power imbalances" (Evaluator, Indian-based company)*

The PLP had two parallel work streams – policy and capacity building – that ran throughout the engagement. The work streams met bi-weekly for the majority of the PLP duration, were centres of additional peer learning and produced thematic white papers to share their learnings as part of this PLP process.

The two following sections address capacity building and explore the enabling policy context.

The role of capacity building in stakeholder engagement: Peer learnings

The capacity-building work stream pulled from three main data sources to prepare a white paper: a breakout discussion group during the all-PLP launch meeting, a breakout discussion group during the data party and the use case responses to the question:

> **"What capacities would you need to build, if any, in order to incorporate this [use case] approach to stakeholder engagement in your impact measurement and management?"**

An analysis of this data revealed significant ingredients needed for effective capacity building for stakeholder engagement in impact measurement and management. **The capacity-building white paper laid out three key points of consensus about what works:**

- Meaningful stakeholder engagement is what is effective, but it requires distinct practices.
- Every actor in the system has a role to play if stakeholders are to be meaningfully involved.
- The set of challenges that impedes meaningful stakeholder engagement can be overcome by building specific capacities.

The section below summarises these points of consensus. The full white paper can be found on the Impact Terms website.

Meaningful stakeholder engagement is key

Building on the OECD definition of meaningful stakeholder engagement in the extractive sector[10], **the capacity-building work stream identified how the PLP members understood meaningful engagement**. The white paper explains that meaningful stakeholder engagement aims to genuinely understand the lived experience of less powerful stakeholders and seriously consider their insights and ideas for improvement.

Meaningful stakeholder engagement is based on four characteristics:

- **inclusive** – which engages representatives of all groups that matter
- **relevant and complete** – which engages on all the main issues that matter

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[10] OECD (2017), OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector, OECD Publishing, Paris. *http://dx.doi.org/10.1787/9789264252462-en*;

- **conversational and generative** – which generates shared insights through mutual listening and responding
- **timely and actionable** – which generates data and insights that inform decision-making.

It transforms primary stakeholders from "actors" and "those acted upon" into co-creators of shared outcomes and effective solutions. Conducted in this way, stakeholder engagement itself actively contributes to the social impact created as the result of an initiative by increasing accountability to and buy-in from those affected.

Every actor in the system has a role to play

The capacity for meaningful stakeholder engagement should not be siloed into one role in an organisation or handed off completely to an outside third party. To achieve meaningful stakeholder engagement, different organizational role players must be involved in gathering, making sense of and using the information from stakeholders in different ways. Who has a role to play? Those who:

- design stakeholder engagement processes
- obtain information from stakeholders
- verify information validity with stakeholders
- analyze stakeholder information
- decide on and implement changes to strategy and activities
- communicate about strategy and activity changes.

While some of these roles may be done by a third party, others are done internally. Those internal actors must all have the commitment, incentives, support and skills to include meaningful stakeholder engagement as part of their work.

Building capacity to overcome issues that impede meaningful stakeholder engagement

The PLP formed a broad consensus that there are **three main areas where lack of capacity often impedes meaningful stakeholder engagement: i) governance and decision making; ii) skills; and iii) culture.**

These areas are detailed below.

Embedding stakeholder data into governance and decision making to support meaningful stakeholder engagement

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.**

Impact-driven decision making. Impact performance must be prioritised alongside financial performance in management decision making and performance reporting. This means that senior management and governance structures must require and support ongoing monitoring and reporting of social and environmental impact.

This in turn means that management must put in place systems for gathering and reporting evidence of an organization's contribution to social and environmental outcomes – whether these are intended or unintended. And this evidence must inform assessment of an organisation's overall performance alongside its financial results.

Quality assurance. To ensure stakeholder information is reliable, the PLP suggested two checks. First, check whether stakeholders have been appropriately engaged in considering the levels of risk that are acceptable to those affected. Second, check if the stakeholder engagement information is of an appropriate level of rigour and completeness to provide decision makers with the confidence to make choices.

One way of assuring the quality of stakeholder engagement is to assess yourself against a standard such as the UNDP SDG Impact Standards, or even commission an independent audit. That said, there are also simpler, more practical ways of doing this. Tracking data, such as response rates to surveys, participation rates in meetings and time series comparisons of responses to standard survey questions, can provide useful indicators of the confidence and trust stakeholders have in the engagement practice of the organization.

Policies to embed and manage resources. **SSE organisations must have an internal stakeholder engagement policy** that sets out how they will: i) identify the material concerns of stakeholders; ii) manage the scale and frequency of engagements; and iii) select the methods required.

This policy can provide the blueprint for continuous stakeholder engagement, where resources are effectively managed, and qualitative and quantitative evidence is captured at appropriate times, thereby addressing perceived and real barriers of associated costs.

Necessary skills for timely, meaningful and productive involvement of stakeholders

In addition to traditional external standards and assurance approaches, **PLP participants felt it was necessary to build capacity within SSE organisations, rather than having impact measurement and management practices rest primarily with external specialists**. The practical skills identified by PLP participants focused on organizations that engage with stakeholders, and on organizations that make decisions based on insights gained from stakeholder engagement.

T**he practical skills for those who engage with stakeholders include**:

1. what kind of questions to ask
2. how to engage effectively with different stakeholder groups (how to create safe spaces in which people will express themselves honestly, how to facilitate an inquiry so that people feel heard, how to bridge cultural differences so that people do not feel diminished, and how to facilitate conversations between people who speak different languages)
3. how to turn people's experience into some form of data (how to design and implement a survey that is appropriate to purpose and conditions, how to document and quantify evidence generated in conversations)
4. how to analyse and interpret data
5. how to share data with stakeholders and with management so that you can make sense of it together, agree on improvement actions and assess progress
6. how to ensure the integrity and validity of the process itself and avoid bias or capture by local elites.

The **skills for those who make decisions based on the insights from meaningful stakeholder engagement additionally include**:

1. selecting appropriate approaches and tools
2. motivating, supporting and incentivising staff
3. understanding how to communicate management responses to stakeholder data and recommendations – and how to respond to possible tensions that may arise
4. evaluating the impact risks associated with decision-making.

Each organisation will have to make choices about the particular methods it employs, the levels of rigour applied, appropriateness to context, and management of risks to each stakeholder group. While there is no one-size-fits-all approach to stakeholder engagement, supporting various actors within organisations and companies to understand both the basic process of meaningful stakeholder engagement, and the consequent trade-offs, is important.

How organisational culture or mindset can support meaningful stakeholder engagement

SSE practitioners are significantly influenced by their environment – which is becoming more receptive to the need for, and value of, insight into stakeholders' experience. Recent developments such as the

UNDP Impact Standard for Enterprises is one of a growing body of examples that make explicit the need to embed IMM practices that are shaped by stakeholder engagement into decision making. Such pressures seek to shift practice to a position where stakeholder engagement and IMM are mainstream elements of organisational decision making, even if they are not legally mandated.

For those charged with making decisions, shifting these power dynamics can challenge their core assumptions and value judgements. Thus **capacity building for stakeholder engagement needs to include learning strategies and support people as they cede some of their power to those affected, so that value is co-created and both parties have power.** This requires a mindset that places greater trust in and has greater respect for the wisdom of stakeholders, so that the fruits of co-creation can be realised. This mindset shift can be precipitated: by sharing examples of the benefits to organisations of meaningful stakeholder engagement; by relationships that grow when those whom decision makers trust and respect show that they think this way; and by shifts that encourage meaningful stakeholder engagement in the broader business environment including the policy context.

Supporting organisations on their journey toward improved stakeholder engagement means highlighting the benefits of better decisions to organizations. To do this, it is necessary to transform the narrative around stakeholder engagement, so that its costs are seen instead as investments with expected returns. This is crucial to shift mindsets and organisational readiness so that stakeholder engagement can fulfil its potential.

Any shift in the collective mindset and structure within SSE organisations will need to be mirrored and supported by the wider business and economic policy environments. Otherwise, SSE actors who voluntarily undertake meaningful stakeholder engagement practices will bear a cost and time burden that others do not. As such, the capacities of decision makers, civil servants, bureaucrats and public service providers must be developed to support stakeholder engagement and facilitate joint solutions with SSE organizations while nurturing the SSE ecosystem.

IMM professionals with competencies in stakeholder engagement play a crucial role in bridging the regulatory environment and SSE organizations as they provide evidence for impact, scale, and synergistic solutions. Local IMM practitioners in particular, have the cultural competencies to bridge the trust deficit between those providing data and those using it, and build feedback loops into the policy environment.

Conclusion

Capacity building is necessary to enable stakeholder engagement because meaningful, systematic and widespread stakeholder engagement is essential to creating an economic system that addresses the needs of all people. Targeted capacity building for every type of actor in the SSE can help overcome challenges with stakeholder engagement, leading to well-developed structures, systems, skills, tools, mindset, culture and organizational readiness to meaningfully engage stakeholders.

Role of public policy in stakeholder engagement: Peer learnings

Guided by SSE's ideals, tools and approaches, the PPL sought answers to the question:

What are public policy ideas that can support increased effective engagement of stakeholders in measuring and managing impacts of both the social and solidarity economy and the broader conventional economy?

In answering that question, the **PLP sought broad policy ideas for the SSE that can be applied to, complement and improve conventional market economy practices.** It also recognised that governments act on public policies enacted by law, internal agency, and executive orders and directives. Thus, it included public policies as well as the actions of government agencies that ensure such policies are implemented internally and externally with non-governmental stakeholders. The following is drawn from the public policy white paper produced as part of this PLP, which can be found on the Impact Terms website.

Overview

Public policies and subsequent government actions at all levels play important roles in ensuring effective engagement of stakeholders. Building on this, the PLP reinforced the idea that public policies should enable the conditions for effective stakeholder engagement. To set such conditions, the PLP identified the following supporting interactive, complementary elements:

- education for raising awareness of the needs and benefits of stakeholder engagement
- training for building the capacity of all sectors to engage as stakeholders and to engage other stakeholders
- systems alignment for establishing incentives and disincentives that lower barriers and create a favourable ecosystem conducive to stakeholder engagement.

The PLP also determined that authentic engagement must be embedded and continually regenerated in ongoing practice. Leaders from all sectors set engagement expectations – that they must actively demonstrate engagement, both internally and externally. They need to embody an organisational culture that reaches out to all stakeholders, listens empathetically, accommodates creatively and seeks solutions with optimal social impacts. Lacking a culture of authentic engagement, stakeholder engagement becomes an exercise in box-checking, a source of irritation for decision makers and the feedstock for external stakeholder cynicism.

Education: Raising awareness

The PLP recognised that **lack of knowledge on the benefits of the SSE and its underlying principles was one of the major gaps hampering effective stakeholder engagement in IMM**.

Policies that support awareness of the benefits and needs for stakeholder engagement among and across key stakeholder sectors focus on the internal roles of government agencies and the support roles of the external stakeholders. **Internal policies or directives should inform and educate agencies on the need for and benefits of stakeholder engagement**. This calls for identifying where and how such engagement can or should occur within its legal authority, providing examples and celebrating successful engagement practices.

Externally, raising the awareness of stakeholders can come in many forms, such as public funding to inform potentially impacted stakeholders about their opportunities to engage in IMM and processes or activities that may affect them. This is an active process and could include funding third parties (including SSEs) to develop awareness campaigns that ensure stakeholders are aware of opportunities.

Training: Capacity building

Awareness, while necessary, is insufficient. As noted in the previous section, "The role of capacity building in stakeholder engagement," all sectors need the skills and capacity to initiate, facilitate or participate in stakeholder engagement. **Lack of engagement skills is a higher barrier than lack of will or awareness of the need to engage stakeholders.** Recognising this, participants at the September 2021 OECD Global Action conference identified capacity building as the top priority for policy and government action.[11]

Policy ideas to build the capacities of stakeholders include the following.

- **Funding capacity building.** Public funding, established through budget policies and agency allocations, can be made available to support governmental and non-governmental actors as they develop stakeholder engagement skills and techniques. This concept has been presented, for example, in the use cases. Subsequent discussions about them and related efforts in the policy work group learning sessions revealed that in India, Slovenia, South Africa, South Korea, India and the United States, such policies often work in concert with, or complement, already established stakeholder engagement policies.[12] This means it may not be necessary to legislate new policies. Instead,

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[11] OECD Global Action conference, "Social impact measurement: friend or foe?", https://event.inwink.com/social-and-solidarity-economy/session/fe50fded-03d5-eb11-94b3-000d3a21a507, 16 September 2021.
[12] Drawn from use cases, and recordings, transcripts and notes from the seven policy work group sessions.

government actions can help build the prerequisite engagement skills necessary for ensuring effective implementation of current policies.

- **Tool development and application**. It should be noted that tools are already available, such as the [participatory rural appraisal (PRA) protocols,](#) which is discussed in the India-based use case; the [materials](#) developed by Social Value Korea and Impact Square with government funding; and the [environmental stakeholder engagement manuals and trainings](#) supported by the United States government. These exemplify potential types of engagement tool development as well as policies on funding such tools. The [policy white paper](#) addresses these in detail.

Systems alignment: Creating a conducive ecosystem

In addition to raising awareness and building capacity, **effective stakeholder engagement requires a third enabling condition – an underlying ecosystem of favourable public policies and subsequent government actions.** This ecosystem is, of course, supported by raised awareness and built capacities, but it also fosters the conditions conducive to effective stakeholder engagement. Through it, barriers and disincentives to stakeholder engagement are lowered while incentives for engaging stakeholders and disincentives for not engaging stakeholders are established and strengthened.

Barriers or disincentives to stakeholder engagement may be internal or external, and they may be specific to a sector, a region or a country. Such impediments may be embedded in existing regulations, policies, existing practices, bureaucratic settings or organisational cultures.

For example, in the United States, federal environmental laws – including the National Environmental Policy Act, Clean Water Act, Clean Air Act and Hazardous Waste Management 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.[13] That said, when lack of stakeholder engagement skills in the agencies responsible for implementing the environmental laws proved to be a barrier, adequate training for agency staff and some funding for community stakeholders to engage were instituted.

Incentives also may be created for companies, investors, organisations, networks and partnerships that engage in effective stakeholder engagement. 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[14] for social enterprises to undertake impact measurement and management. Such incentives contribute to creating an ecosystem that fosters and is conducive to enhancing effective stakeholder engagement.

The effectiveness of these incentives is certainly related to increased awareness or built capacity. But of equal importance, the effectiveness is also due to policies that consider the timing and transparency of the engagement, and the governance structures of the stakeholders.

Conclusion

Public policies can help establish the conditions for more effective stakeholder engagement of both government and non-government stakeholders. Having the right conditions allows for the systemic development, implementation and compliance of effective stakeholder engagement while ensuring use of the right tools at the right moment. Awareness of stakeholder engagement is a fundamental success factor for capacity building. If an organisation is not sufficiently aware of stakeholder engagement's benefits, there is no need to put too much pressure on capacity building because the moment is not right. For those that already have the awareness, then public policies and the government agencies implementing them should help with the capacity building; but, again, timing is important. Mainstreaming too early or making initiatives mandatory too fast for those who are not ready could actually hinder pro

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[13] Impact Terms, "Environmental Focus: Government-Mandated, Community-Created," https://www.impactterms.org/environmental-focus-government-mandated-community-created/

[14] Impact Terms, "IMM Practice in Seoul Forest Cluster: Voluntary Cooperation Across the Private Sector to Create a Common Language," https://www.impactterms.org/impact-management-verification-assurance-use-cases/seoul-forest-cluster/

3 Conclusion

Five broad conclusions encapsulate the insights developed by the PLP.

1. **The process of engaging the members of the PLP in discussing and sharing ideas on the issue of stakeholder engagement was valuable and informative.** As should be expected when bringing a diverse, thoughtful, and committed group of peers together, many issues and ideas emerged that were not part of the original intention. In dealing with the unexpected, the PLP was able to adapt to new information, ideas and needs that arose throughout the partnership. For example, while the original intention was for only the medium- and high-touch participants to contribute use cases, several of the low-touch participants wanted to contribute in substantial ways as well. Additional mini-papers, use cases and presentations were prepared by PLP members above and beyond initial plans and expectations. These outputs further diversified and strengthened the peer learning.

2. **The development and discussion of the use cases relating to stakeholder engagement in IMM provided a practical application to what otherwise would have been simply a theoretical discussion. We believe there is more to be done developing and disseminating good practices.** While providing feedback on the use cases, many reviewers sought continued discussion about their content, including connecting directly with the use case authors. Hence Toniic (a PLP member) created a dedicated, interactive PLP stakeholder engagement site on its [Impact Terms](#) website where the use cases could be commented on and discussed beyond the scope of the PLP. Similarly, Social Value International (another PLP member) offered to update current content and develop new content through webinars. These outputs can enable peer learning to continue beyond the PLP timeframe and structure.

3. **In order for stakeholder engagement in IMM to be meaningful it must be**:

   a) **inclusive** – engaging representatives of all groups that matter

   b) **relevant and complete** –engaging on all the main issues that matter

   c) **conversational and generative** – generating shared insights through mutual listening and responding

   d) **timely and actionable** –generating data and insights that can inform decision-making.

4. **The PLP has led to actions and relationships at a policy level. PLP members reported that cross-national and cross-sector exchanges have opened up new understandings and skill development about how to approach stakeholder engagement.** For example, the Slovenian Ministry of Economic Development and Technology reported that it increased its stakeholder engagement skills due to participation in the PLP, and will include meaningful stakeholder engagement practices in the Ministry's National Social Impact Measurement Directive. Similarly, in the United States, the Department of Labor, after attending OECD's Gobal Action conference, "The Social and Solidarity Economy: From the Margins to the Mainstream," contacted PLP members to discuss the SSE in a United States context. In Japan, South Korea and Italy, PLP members work with national as well as local government agencies in implementing IMM-related public policies and now have new products to shape this work.

5. **Knowledge exchange and peer connection is happening between individuals and organisations that would not have happened without the PLP.** The PLP helped raise awareness among members, their constituents, and broader networks about the SSE's role in valuing social and environmental wellbeing. These relationships and knowledge exchanges are likely to continue to grow and develop, potentially leading to positive changes in how stakeholder engagement is conducted and bringing necessary changes to the policy environment that will better enable such interactions in the future.

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Annex A. List of organisations involved in the PLP consortia and in the PLP events

Stakeholder engagement PLP members

Organization	Type of actor	Country
60 Decibels	Solution Provider	USA
Genesis Analytics	Evaluation Consultant	South Africa
Grupo Ecológico Sierra Gorda	Civil Society/NGO	Mexico
Independent Researcher (at Oxford University…)	Academic/Independent Expert	Canada
JOINC	Civil Society/NGO	Belgium
Keystone Accountability	Solution Provider	USA
Link2007	Civil Society/NGO	Italy
Monitor-Deloitte	Business	USA
Rockefeller Foundation	Philanthropy	USA
Rockefeller Philanthropy Advisors	Philanthropy Advising	USA
Salesforce	Business	USA
Sambodhi	Evaluation Consultant	India
Slovenian Ministry of Economic Development and Technology	National Government	Slovenia
Social Impact Management Initiative of Japan	Civil Society/NGO	Japan
SV Belgium	IMM/Social Value Network	Belgium
SV Canada	IMM/Social Value Network	Canada
SV France	IMM/Social Value Network	France
SV Italy	IMM/Social Value Network	Italy
SV Korea	IMM/Social Value Network	Korea
SV Mexico	IMM/Social Value Network	Mexico
SV Spain	IMM/Social Value Network	Spain
SV UK	IMM/Social Value Network	United Kingdom
SV US	IMM/Social Value Network	USA
SVI	IMM/Social Value Network	International
Toniic	Impact Investment Network	USA
UNDP SDG Impact	Multilateral Governance	International

Annex B. Peer learning approach

The PLP followed a 10-step process to promote peer learning and identify barriers to, and opportunities to improve stakeholder engagement in the SSE.

1. Launch meeting. In addition to being an informational meeting regarding the goals and process of the PLP, the launch meeting provided time for breakout discussions around policy and capacity-building needs and opportunities in the SSE. This, in addition to lightning rounds of introductions, promoted relationship building and initiated peer learning.

2. Survey. The consortiummembers and their networks were surveyed on their feelings about and uses of stakeholder engagement processes in impact measurement and management.

3. Stakeholder Engagement model templates. The coordinating committee sent templates to the medium- and high-touch PLP members to gather broad information about existing stakeholder engagement models.

4. Use case development. Based on information gathered via the stakeholder engagement model templates, the coordinating team worked with PLP members to develop short, easy to understand full-use cases. Ten use cases were developed to highlight a range of stakeholder engagement practices currently utilised by PLP members.

5. Use case feedback. The use cases were then shared with all PLP members via an instructional packet, and recipients were asked to provide feedback on a minimum of two use cases by responding to four feedback questions on a Google form. The feedback questions were:

    *   What do you like about this use case? Why? For example, was there a practical take-away for you that you would consider applying to the way you engage with stakeholders to measure and manage impact?

    *   What concerns do you have about applying this approach in your context?

    *   What capacities would you need to build, if any, in order to incorporate this approach to stakeholder engagement into your impact measurement and management?

    *   What type of legal frameworks or government policies, if any, would help you incorporate this approach to stakeholder engagement in impact measurement and management? For example, this could include incentives, disincentives, resource allocations, qualification ratings or certifications.

    Members were also asked to share the use cases and feedback instructions with their networks for additional feedback on the use cases. In all, 54 individuals from 16 countries filled out the Google form, providing 127 points of feedback on the 10 use cases.

6. Data analysis. The use case feedback was then analysed with the assistance of a qualitative data analysis software (NVivo), and three "data placemats"[15] were developed for a co-interpretation meeting (data party). The data placemats followed three themes – likes/concerns, capacity building and policy – and included high-level themes and representative quotes from the data. Participants at the data party were invited to join two out of three breakout rooms focused on each of the three

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[15] Data placemats are data visualisation tools typically used in interactive and collaborative data interpretation workshops.

data placemats, review the data presented in the placemat, and then respond to discussion questions in both a Google document and in a live group discussion. The data party enabled significant peer learning as PLP members reflected on the use case feedback and engaged in discussions with one another.

7. Work streams. Two work streams centred around policy and capacity building were developed early on in the PLP and ran parallel to other PLP activities throughout the engagement. The work stream participants met bi-weekly for the majority of the PLP duration and the meetings were centres of in-depth peer learning.

8. White papers. Interim outputs from the work streams, the white papers were intended to function as stand-alone, focused documents on their respective topics of capacity building and policy with respect to stakeholder engagement in impact measurement and management. The white papers have been used as background and input for this outcome report.

9. Dissemination plan. The dissemination plan was put together to support ongoing learning past the confines of the PLP. It included instructions and examples for how PLP members could share the PLP's findings with their networks and peers.

10. Outcome report to OECD. This report has been prepared for OECD to summarise the key findings in the white papers and the outcomes of the PLP process in general. This information is meant to inform EU policy regarding stakeholder engagement in impact measurement and management.

Figure B3-1. PLP journey map: Visual summary of peer learning approach

Source: Authors
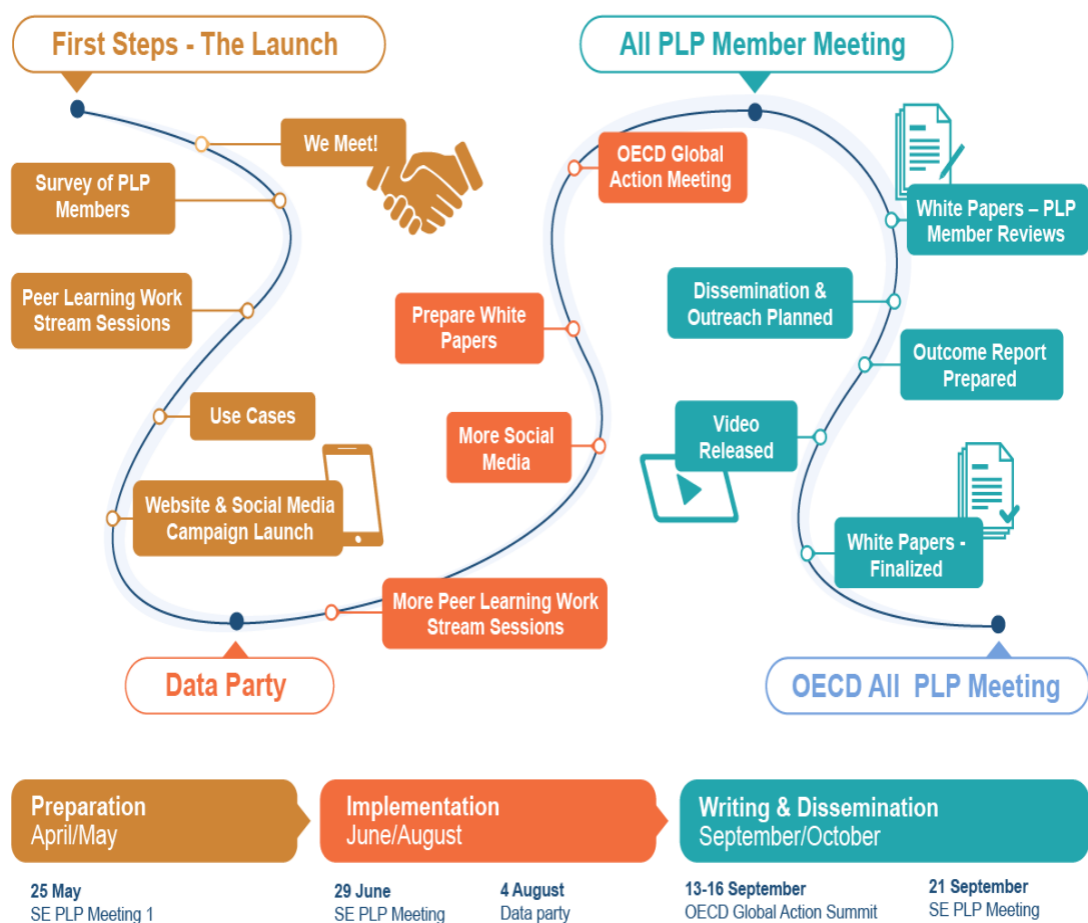
Annex C. Stakeholder engagement in impact measurement and management

Peer learning partnership survey results

Detailed report by C-lever.org

Version of 10/11/2021

This project is funded
by the European Union

Table of contents

1. Overview

The Stakeholder Engagement Survey reached 194 respondents, professionals with very different roles / professional positions and from a large range of organisations, countries, languages, etc. Such broad and diverse set of contributions provides a good view on the current and desired situation with respect to meaningful stakeholder engagement in measuring and managing impact and thus in decision making and steering of projects, initiatives, services or business that affect them.

This survey provides relevant findings and recommendations. Some interesting key findings are:

- Today stakeholder engagement is mainly perceived as the collection of data, opinions and experiences of stakeholders and using such feedback to measure and improve outcomes.

- Outcomes and added value of stakeholder engagement are in particular expected for enhancing social and environmental return on investment, clients' stakeholder satisfaction, stakeholder collaboration and loyalty.

- Top management commitment and organizations' accountability to their stakeholders are the main factors facilitating stakeholder engagement; lack of time and lack of financial resources are the main ones hampering it.

- Good practices and principles of Impact Measurement and Management (IMM) that already exist in organisations are mainly: respectful and inclusive communication, trust relation inside the organization and using workshops and meetings to conduct the stakeholder engagement.

- Respondents indicate that ethics principles for selection and engagement of stakeholders are already implemented in practice. IMM-related stakeholder engagement is ongoing and at least somewhat effective with respect to obtaining insights from stakeholders and to making best use of stakeholder feedback. Hampering factors are mainly a lack of awareness and knowledge on the benefits of stakeholder engagement and insufficient financial and/or non-financial support for the cultural change required to effectively engage stakeholders.

- Overall, the respondents state that the appetite to improve stakeholder engagement is very high among their organisations. The capacity to make this happen varies heavily with the context.

- Respondents consider that the types of stakeholders to be involved are mainly: the direct and ultimate beneficiaries, the employees, and furthermore the communities and civil society being affected. They should be involved since the very beginning, and then whenever there is a new step in the IMM process, or a key decision with potential social and/or environmental impact. Focus groups/workshops, interviews, and collective reflection in meetings are perceived as the best ways of stakeholder engagement.

- 70% of the respondents consider that governments at every level should be involved. However, they perceive a huge gap between on the one hand the needs for monitoring, steering and evaluation of the impact of organizations in the Social and Solidarity Economy (SEE) and for related stakeholder engagement and on the other hand the current public sector practices and capacities to do so.

Enhanced attention for impact measurement and management (IMM) is being embraced by respondents, IMM practices are already – at least partially – being implemented in (some of) their organisations. Respondents do highlight the need for support from local and central governments and indicate a worrisome gap between expectations and available support.

2. Overall presentation of the survey

2.1 Introduction

This Stakeholder Engagement Survey was one of the four initiatives (works streams) of the "Putting Stakeholders in the Center" Peer Learning Partnership (PLP) coordinated by Social Value US, sponsored by the OECD and funded by the European Union. This PLP is about leveraging stakeholders' voices for improving social value generation, while enhancing organizations' accountability to their (underrepresented) stakeholders. While the focus is on doing so in the ecosystem of the Social and Solidary (SSE), the findings are relevant beyond the SSE and may inspire the broader economy.

This survey aimed at mapping and better understanding what exists and what might be needed with respect to effective stakeholder engagement (SE) in impact measurement and management (IMM). The results of the survey can help in addressing barriers and opportunities for meaningful stakeholder engagement. Respondents were able to provide information on how they perceive the current situation (importance, awareness, existing practices, skills, tools, policies, success factors, etc.) and how they envisage the desired situation.

While the survey itself may contribute to awareness raising, the responses and findings of the survey, along with use cases obtained, have been used for informing the activities (workshops / exchanges) of the Peer Learning Partnership and for drafting the resulting white paper, with 'capacity building', 'policy' and 'dissemination' as the PLP's three complementary building blocks.

2.2 Methodology

As to inform this Peer Learning Partnership on "Stakeholder Engagement in Impact Measurement and Management", it was necessary to collect ideas and contributions from a significant amount of people with different backgrounds (country of origin, age, sex, work environment, …). Thus, the PLP decided to conduct a worldwide survey aiming at collecting insights and opinions on (existing and desired) concepts, practices, and policies of stakeholder engagement in the topics addressed by the PLP.

The methodology adopted to do so comprised two phases: first a preliminary, limited and preparatory, survey and subsequently a full survey.

1. The preliminary survey

The purpose of this survey was two-fold: (1) gather initial information about existing practices, tools, and policies on stakeholder engagement; and (2) help sharpen the design, clarity, and operation of a full survey that targeted a much larger and broader group of SSE actors across multiple countries.

The design and implementation of this preliminary survey comprised several steps:

1. Initial preparation by the C-lever.org / Social Value Belgium team.
2. Working sessions with the Executive Committee of the PLP to decide the topics and focus of the survey and to validate the contents and layout of the preliminary survey.
3. Implementation and launching of the preliminary survey: the preliminary survey was only targeting PLP members in order to collect meaningful data in a short period of time. It combined closed questions (mainly scoring) with many open questions. The online preliminary survey was solely conducted via personal email invitation.
4. This preliminary survey was conducted from mid-April till mid-May 2021, it was completed by 28 respondents from a wide range of member organizations of the PLP.
5. The contributions provided by the respondents were analysed and processed by a team of C-lever.org / Social Value Belgium as to inform the ongoing activities of the PLP and develop the full survey.

2. The full survey

The survey targeted a worldwide group of respondents, interested in the topics addressed by the PLP and combining different roles, responsibilities, and backgrounds. The aim was to collect as much information as
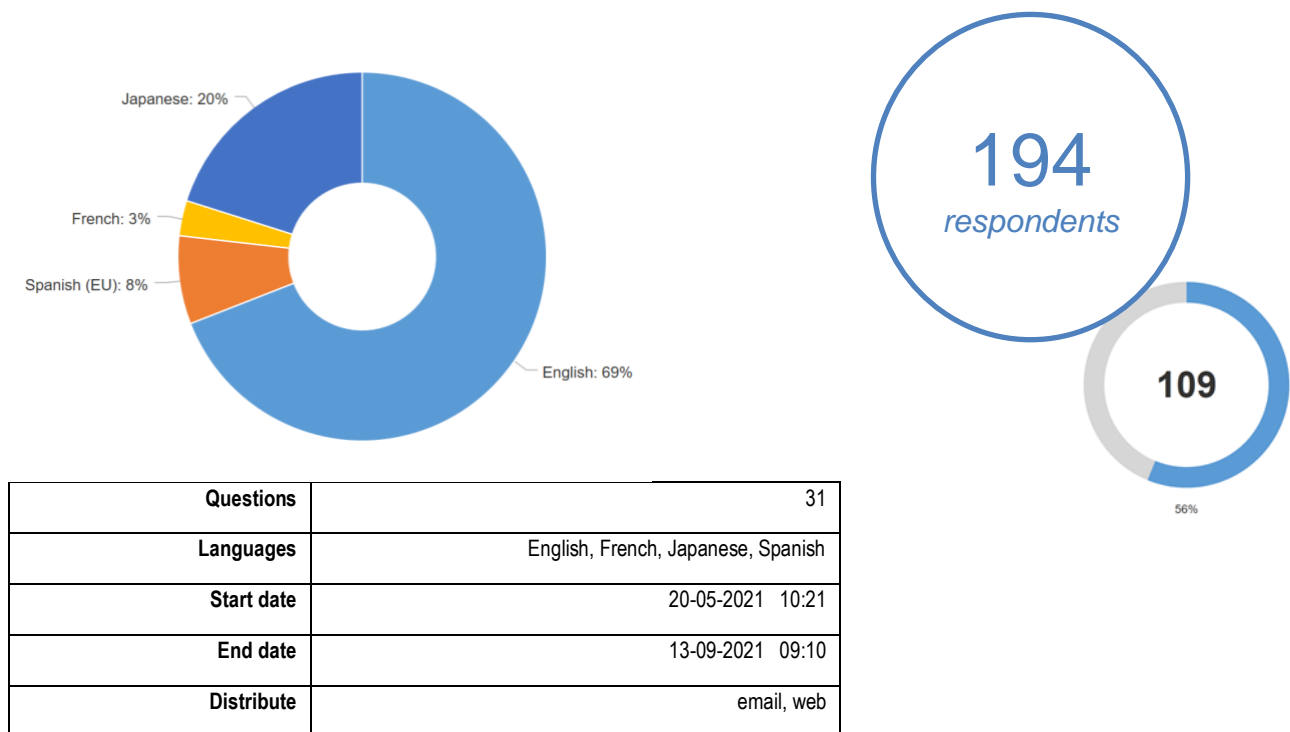
possible to inform the activities of the PLP and the drafting of white papers on capacity building and policy relate to meaningful stakeholder engagement in impact measurement and management.

Several steps were needed to conduct this final survey:

1. The use of the different feedbacks from the Executive Committee and other members of the PLP to develop key questions relevant for the White Paper. Several iterations were needed to develop adequate and precise questions.

2. The translation of the survey in four different languages (French, English, Spanish and Japanese). The translation was made by members of the PLP.

3. Conduction of the survey launched via the URL of the survey and via emails.

4. Several rounds of launching trying to catch the greatest network as possible.

5. Once the survey closed, the analysis of the result and the development of a summary and detailed report to be shared.

Figure 2.1: Respondents' profile

Questions	31
Languages	English, French, Japanese, Spanish
Start date	20-05-2021 10:21
End date	13-09-2021 09:10
Distribute	email, web

The number of total respondents is 194, from 20 different countries (Figure 2.1). 109 respondents reached end (56%), while 85 partially completed. They were very reactive at the beginning, less towards the end date of survey. (Figure 2.2). English was mainly used (69%). Total number of questions is 31 and the length period was nearly 4 month (36 weeks).

Figure 2.2: Time to complete the survey

2.3.1 In which country do they live?

Japan is the main origin location of respondents, followed by USA and UK. Relevant answers were also received from Mexico, Canada, Italy, and Belgium (Figure 2.3). Different background of respondents is ensured by the varied origin countries.

Figure 2.3: Location of respondents
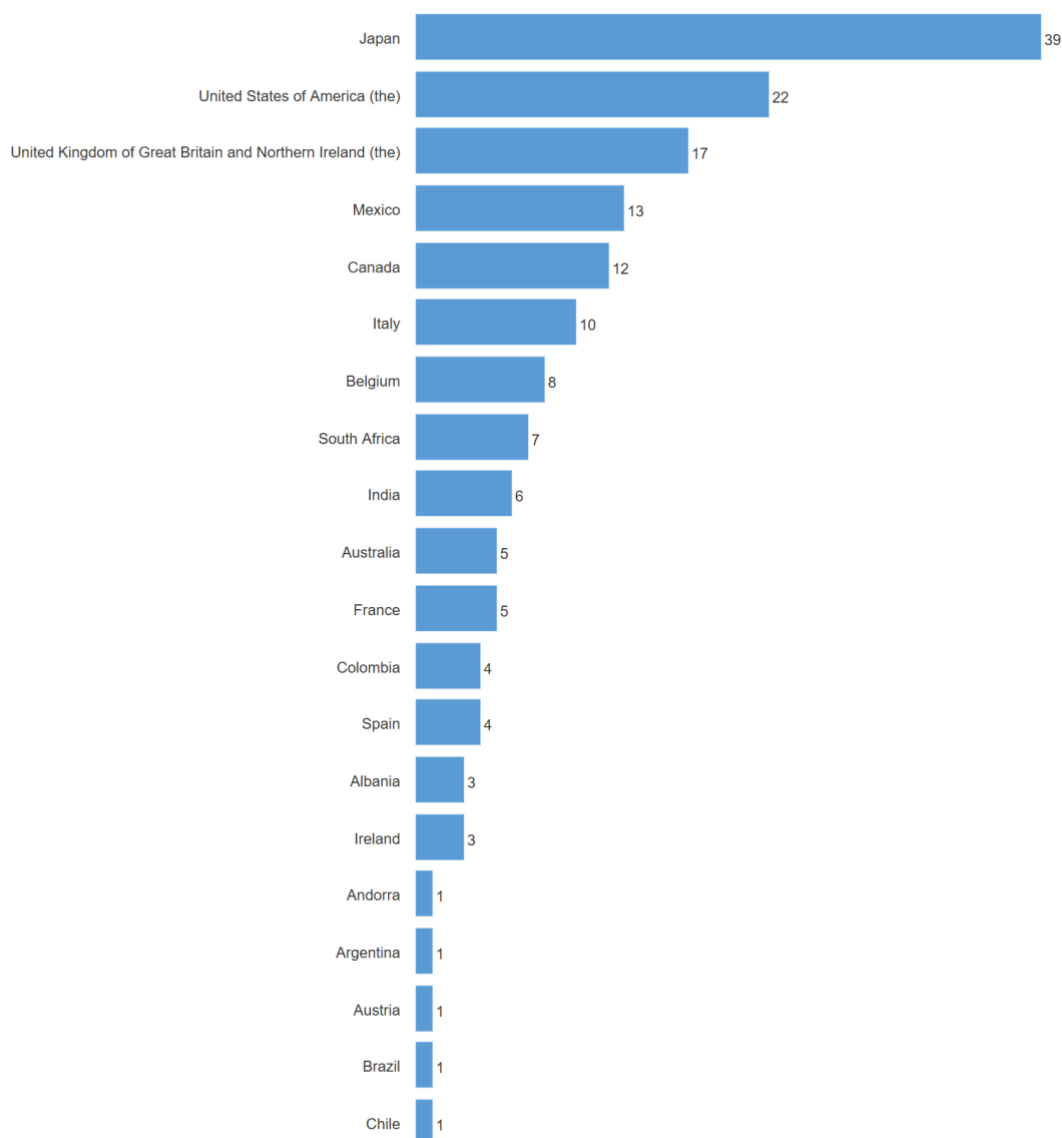
N 173

2.3.2 What is their role inside organization(s)?

Management (36%) is the major role of respondents inside their respective organisations (Figure 2.4). Other categories involved are employees (29%), consultant (28%), board member (19%), founder and investor (17%), and academics (11%).

Figure 2.4: Role of respondents

	Count	% of responses	%
Management	69		36%
Employee	57		29%
Consultant / Social Impact advisor	55		28%
Board Member	37		19%
Founder / Investor / Owner	33		17%
Academic	22		11%
Other, please specify	22		11%
Member of association(s)	11		6%
Trainer	8		4%
Policy advisor / Government advisor / Civil servant	3		2%
Politician / Public Official	1		1%

N 194

2.3.3 What type of organization(s) do they work for?

Main types of organizations involved are: Associations and NGOs (27%), Not-for-profit social enterprise (25%), Consultancy/advisory firm (24%) and For-profit social enterprise (21%); many "other" categories were also represented in the survey such as university (Figure 2.5).

Figure 2.5: Types of organizations represented by survey respondents

	Count	% of responses	%
Association / Not-for-profit organization / Network	52		27%
Not-for-profit social enterprise	49		25%
Consultancy and/or advisory firm	47		24%
For-profit social enterprise	40		21%
Other, please specify	30		15%
Private impact investor	14		7%
Public company	14		7%
Governmental organization	8		4%
Cooperative	7		4%
National government	7		4%
Institutional impact investor	5		3%
Individual impact investor	3		2%
Regional or Provincial government	3		2%
Multilateral or bilateral donor or development organization / Other international organization	3		2%
Local government	1		1%

N 194

"Other" was mainly University.

3. Current situation

3.1 Definition of stakeholder engagement in impact measurement and management

Respondents responded that, in their perception, "stakeholder engagement in IMM" represents (Figure 3.1):

- Collecting data, opinions, experiences, … from individuals involved in and/or affect by the organisation (70%)
- Using feedback obtained from individuals, affected by the organisation, to measure outcomes (64%)
- Deep understanding and inclusive incorporation of the opinions, points of views and feeling of individuals that are involved in and/or affected by the organisation (64%)
- Understanding the context of individuals that are involved in and/or affected by the organisation (62%)
- Ensuring that individuals, who are affected by the organisation, are involved at the early stage of a project, operation, activity, … (60%)

Question: What does stakeholder engagement in impact measurement and management mean to you? (Please select the statements you agree with, multiple selections are allowed.)

Overview of responses:

Figure 3.1: Respondent views on what constitutes impact measurement and management

	Count	% of responses	%
Collecting data, opinions, experiences, … from individuals involved in and/or affect by the organization	105		70%
Using the feedback obtained from individuals, affected by the organization, to measure outcomes.	97		64%
Deep understanding and inclusive incorporation of the opinions, points of views and feeling of individuals that are involved in and/or affected by the organization	96		64%
Understanding the context of individuals that are involved in and/or affected by the organization	93		62%
Ensuring that individuals, who are affected by the organization, are involved at the early stage of a project, operation, activity, … (planning and setting phase, due diligence, …)	90		60%
Improving the experience of individuals that are involved in and/or affected by the organization thanks to their feedbacks and experiences.	84		56%
Involving affected individuals throughout the lifetime of a project, operation, activity, ...	71		47%
Involving ndividuals, who are involved in and/or affected by the organization, in the decision-making process.	66		44%
Involving individuals that are directly and indirectly affected by the organization's activities in the reviewing and reshaping of the organization's business plan.	61		40%
Other, please specify	16		11%
None of the above	2		1%

N 151

Other: Respondents also provided the following additional understanding of stakeholder engagement in IMM:

- Provide information to partners.
- Involving stakeholder to be part of data interpretation phase before final reporting, but not always involving all stakeholders for each instance.
- Using feedback to agree on and monitor improvements in stakeholder experience.
- Inclusive wealth creation and distribution (stewardship).
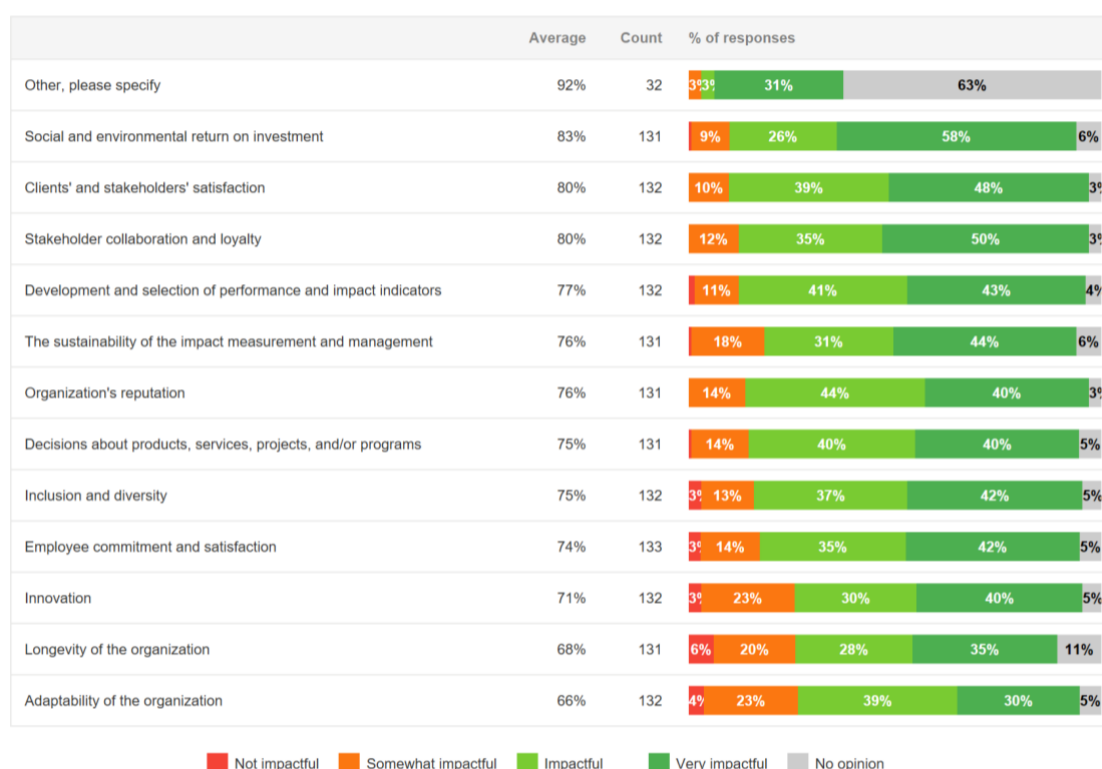- Assessing comparative value.

3.2 Expected outcomes of improving stakeholder engagement

Respondents expect stakeholder engagement practices to be impactful for multiple aspects of their organization. As shown in Figure 3.2 below, the strongest outcome is expected for 'social and environmental return on investment'; followed by 'clients' stakeholder satisfaction' and 'stakeholder collaboration and loyalty'. But positive impact is expected also in many other areas, as shown in the table below.

Question: To what extent do you consider that improving the level/quality of stakeholder engagement in impact measurement and management is making or will make a difference for your organization(s) or for the organizations that you advise?

Overview of responses:

Figure 3.2: Respondent views on how improving the level/quality of stakeholder engagement will influence their organization or those they advise

	Average	Count	% of responses			
Other, please specify	92%	32	3% 3%	31%		63%
Social and environmental return on investment	83%	131	9%	26%	58%	6%
Clients' and stakeholders' satisfaction	80%	132	10%	39%	48%	3%
Stakeholder collaboration and loyalty	80%	132	12%	35%	50%	3%
Development and selection of performance and impact indicators	77%	132	11%	41%	43%	4%
The sustainability of the impact measurement and management	76%	131	18%	31%	44%	6%
Organization's reputation	76%	131	14%	44%	40%	3%
Decisions about products, services, projects, and/or programs	75%	131	14%	40%	40%	5%
Inclusion and diversity	75%	132	3% 13%	37%	42%	5%
Employee commitment and satisfaction	74%	133	3% 14%	35%	42%	5%
Innovation	71%	132	3% 23%	30%	40%	5%
Longevity of the organization	68%	131	6% 20%	28%	35%	11%
Adaptability of the organization	66%	132	4% 23%	39%	30%	5%

🟥 Not impactful 🟧 Somewhat impactful 🟩 Impactful 🟩 Very impactful ⬜ No opinion

Remark: Even though 30 respondents selected the category "other", the additional responses provided under this category were very diverse and did not provide a recurring category to be added in the table above.

3.3 Factors hampering or facilitating qualitative and effective stakeholders' engagement in IMM

According to the respondents, the following elements (factors) are facilitating the quality and effectiveness of stakeholder engagement by the respondents' organisations (Figure 3.3):

- top management commitment (72%)
- the organizations accountability to its stakeholders (71%)
- organizational culture (66%)
- stakeholder engagement policies (66%)

- organization's skills (65%)
- investor's expectations (63%)
- organization's processes & tools (59%)
- human resources (59%)

The following elements are often perceived as hampering the quality and effectiveness of stakeholder engagement by the respondents' organisations:
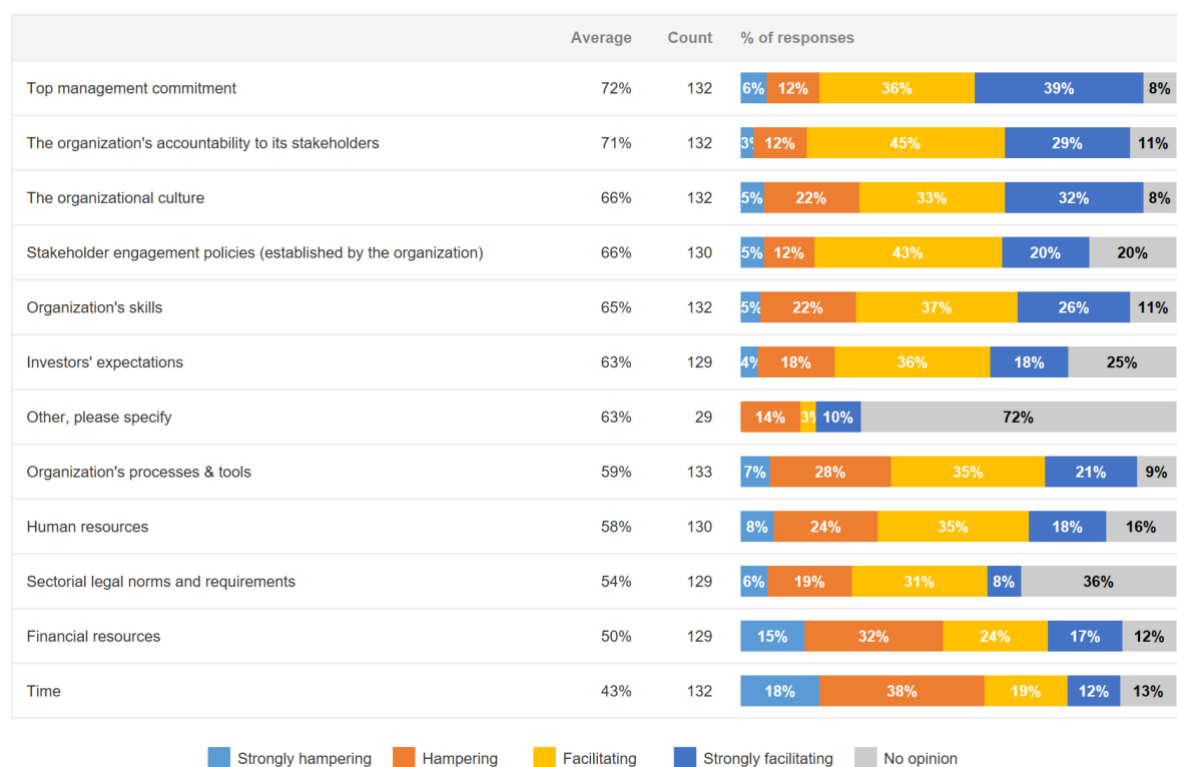
- lack of time (56%)
- lack of financial resources (47%)
- the organization's processes and tools (35%)
- the human resources (32%)

It should be noted that the last two elements ('processes and tools' & 'human resources') seem to be both facilitating and hampering; depending on the respondent.

Question: Are the following aspects (or the lack of such aspects) hampering or facilitating qualitative and effective stakeholder engagement in impact measurement and management among your organization(s) or among the organizations you support or advise?

Overview of responses:

Figure 3.3: Barriers to effective stakeholder engagement in IMM

	Average	Count	% of responses				
Top management commitment	72%	132	6%	12%	36%	39%	8%
The organization's accountability to its stakeholders	71%	132	3%	12%	45%	29%	11%
The organizational culture	66%	132	5%	22%	33%	32%	8%
Stakeholder engagement policies (established by the organization)	66%	130	5%	12%	43%	20%	20%
Organization's skills	65%	132	5%	22%	37%	26%	11%
Investors' expectations	63%	129	4%	18%	36%	18%	25%
Other, please specify	63%	29	14%	3%	10%	72%	
Organization's processes & tools	59%	133	7%	28%	35%	21%	9%
Human resources	58%	130	8%	24%	35%	18%	16%
Sectorial legal norms and requirements	54%	129	6%	19%	31%	8%	36%
Financial resources	50%	129	15%	32%	24%	17%	12%
Time	43%	132	18%	38%	19%	12%	13%

Legend: ■ Strongly hampering ■ Hampering ■ Facilitating ■ Strongly facilitating ■ No opinion

N 133

Under the category "other": several respondents mentioned the 'Covid-19 Pandemic' and 'lack of participation', as hampering factors.

3.4 Existing practices and principles of IMM among organizations

The following 'practices or principles', presented in decreasing order, are already present at or being applied by many of the respondents' organisations (Figure 3.4):
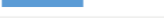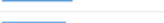
- Respectful and inclusive communication (60%)
- Trust relation inside the organization (54%)
- Focus groups/ Workshops / Group meetings (50%)
- Surveys (48%)
- Collection of data and feedback (48%)
- Consciously avoiding biases (47%)
- Informal conversations (47%)
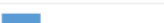- Feedback mechanisms (including written communication) (40%)

As shown in the table below, several other practices occur also, but less frequently.

Question: Do the following practices and principles of impact measurement and management exist among your organization or among the organization(s) you're involved with? (Please select the options you agree with, multiple selections are allowed.)

Overview of responses:

Figure 3.4: Frequency of selected practices in IMM

	Count	% of responses	%
Respectful and inclusive communication	75		60%
Trust relation inside the organization	68		54%
Focus groups / Workshops / Group meetings	62		50%
Surveys	60		48%
Collection of data and feedback	60		48%
Consciously avoiding biases	59		47%
Informal conversations	59		47%
Feedback mechanisms (including written communication)	50		40%
Annual meetings	47		38%
Individual follow-up / Interviews / 1 to 1 discussions	45		36%
Community meetings / Participation in local advisory committees	38		30%
Online communication, social media	38		30%
Monthly meetings	33		26%
Phone calls	33		26%
Discussion with community leaders, politicians, civil servants, …	30		24%
Implementation of a social and impact board	28		22%
Standards on how to engage stakeholders	27		22%
Anonymous collection of data and feedback	27		22%
External verification or assurance of impact measurement and management	24		19%
Mobile data collection	20		16%
Weekly meetings	18		14%
Other, please specify	5		4%
None of the above	2		2%
			N 125

3.5 Performance of organizations regarding stakeholder engagement practices

On average, respondents indicate that their organizations score <u>well</u> vis-à-vis the following good practices or principles (Figure 3.5):

- Ethics principles for stakeholder engagement are defined, 'doing no harm' and managing potential 'conflicts of interests' are covered. (51%)
- 'The selection of stakeholders and their representatives and the modes and frequency of their involvement are well fit for purpose.' (50%)

Conversely, a good practice or principle which scores *insufficiently* is: 'Closing the feedback loop: stakeholders are informed on outcomes of their engagement in the organization's impact measurement and management' (48%). This is not surprising as this practice already corresponds to an advanced level of stakeholder engagement in IMM.

Question: At present, how do you think your organization(s) (or the ones you are involved with) score(s) vis à vis good practices of stakeholder engagement?

Figure 3.5: Respondents' organizations performance on selected stakeholder engagement practices
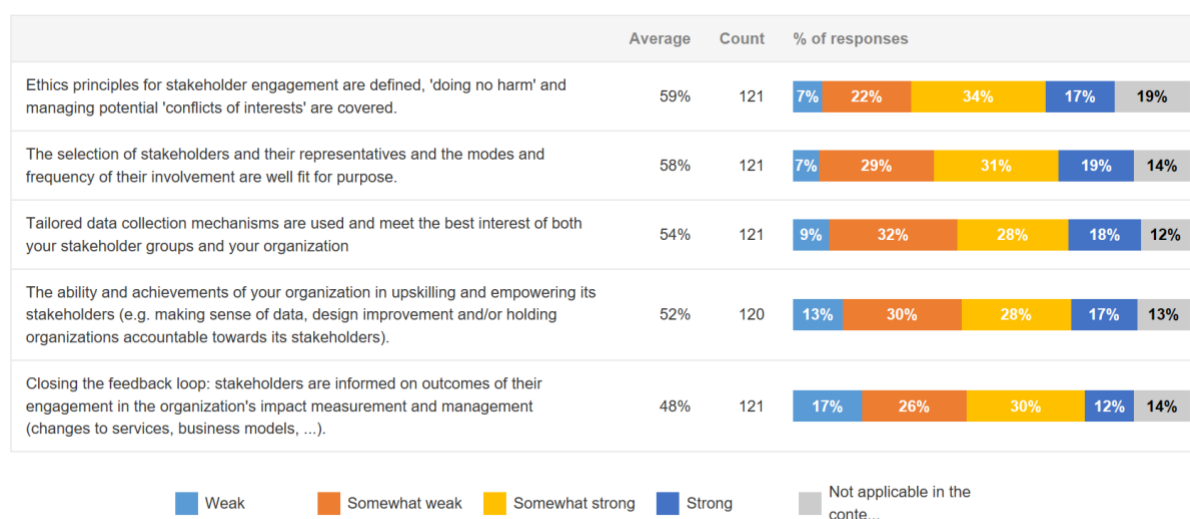
3.6 Performance of organizations regarding aspects of IMM

The following aspects of Impact Management and Measurement (IMM) are already covered in the stakeholder engagement of many organizations responded for in the survey (Figure 3.6):

- Defining the outcomes and deciding which ones to measure. (60%)
- Developing recommendations or suggestions for improvements. (60%)
- Providing feedback on the contribution of the organization on those changes. (56%)
- (Other is omitted since not significant)

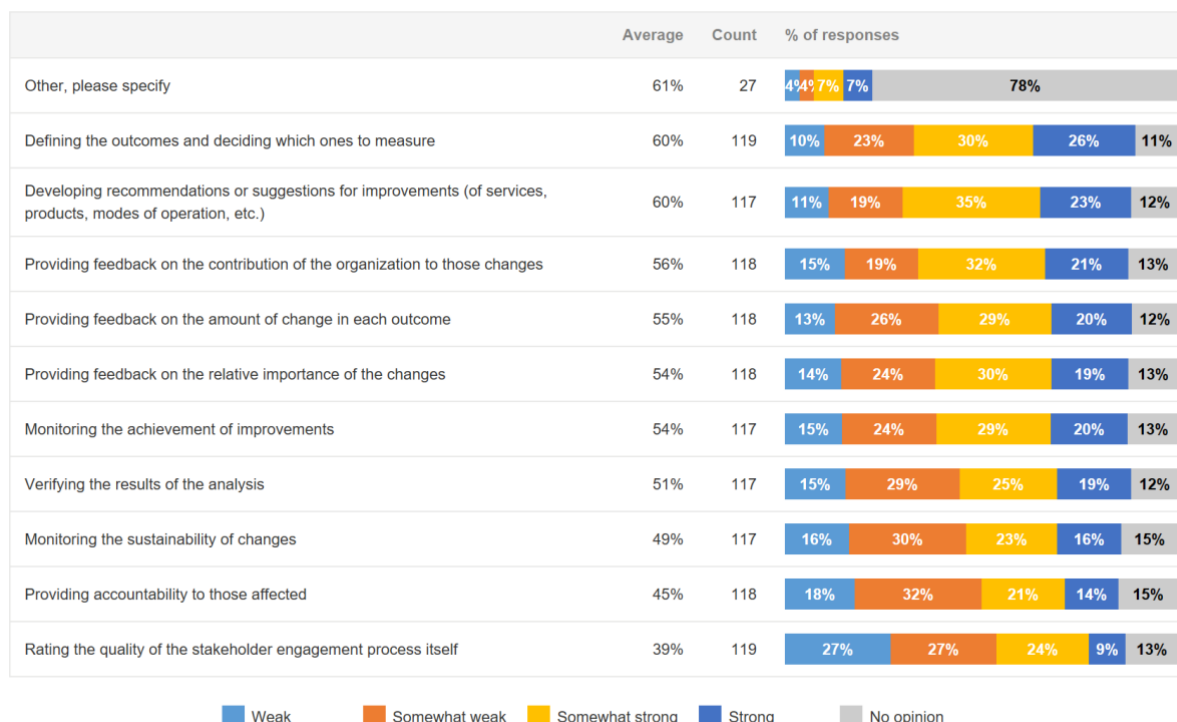The aspects that are much less covered, and thus score weaker, are:

- Rating the quality of the stakeholder engagement itself. (39%)
- Providing accountability to those affected. (45%)
- Monitoring the sustainability of changes. (49%)

The following table provides a more complete overview of responses provided for the current coverage of different aspects of IMM.

Question: To what extent are the following aspects of IMM (impact measurement and management) covered in the stakeholder engagement of your organization or of the organization(s) you are involved with?

Figure 3.6: Aspects of IMM covered by respondents' organizations

	Average	Count	% of responses
Other, please specify	61%	27	4% 4% 7% 7% — 78%
Defining the outcomes and deciding which ones to measure	60%	119	10% / 23% / 30% / 26% / 11%
Developing recommendations or suggestions for improvements (of services, products, modes of operation, etc.)	60%	117	11% / 19% / 35% / 23% / 12%
Providing feedback on the contribution of the organization to those changes	56%	118	15% / 19% / 32% / 21% / 13%
Providing feedback on the amount of change in each outcome	55%	118	13% / 26% / 29% / 20% / 12%
Providing feedback on the relative importance of the changes	54%	118	14% / 24% / 30% / 19% / 13%
Monitoring the achievement of improvements	54%	117	15% / 24% / 29% / 20% / 13%
Verifying the results of the analysis	51%	117	15% / 29% / 25% / 19% / 12%
Monitoring the sustainability of changes	49%	117	16% / 30% / 23% / 16% / 15%
Providing accountability to those affected	45%	118	18% / 32% / 21% / 14% / 15%
Rating the quality of the stakeholder engagement process itself	39%	119	27% / 27% / 24% / 9% / 13%

■ Weak   ■ Somewhat weak   ■ Somewhat strong   ■ Strong   ■ No opinion

N 120

3.7 Effectiveness of current practices of IMM-related stakeholder engagement

65% of respondents estimate that current practices of IMM-related stakeholder engagement (SE) are somewhat effective (47%) or effective (19%) *with respect to obtaining insights, opinions, perceptions, and experiences of stakeholders* (Figure 3.7).

Question: How effective are the existing practices and principles of IMM (impact measurement and management)-related stakeholder engagement used in your organization(s) or in the organisation(s) you are involved with, with respect to obtaining insights, opinions, perceptions, and experiences of stakeholders?

Figure 3.7: Effectiveness of stakeholder engagement practices related to obtaining insights, opinions, perceptions, and experiences of stakeholders

3%	17%	47%	19%	15%

■ Ineffective   ■ Somewhat ineffective   ■ Somewhat effective   ■ Effective   ■ No opinion
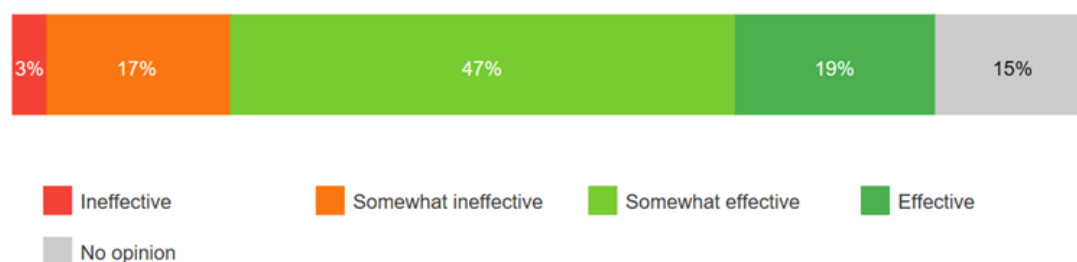
Less respondents, but still 62% of them, estimate that current practices and principles of IMM-related SE are somewhat effective (42%) or effective (18%) *with respect to making best use of stakeholder feedback* (Figure 3,8).

Question: How effective are the existing practices and principles of IMM (impact measurement and management)-related stakeholder engagement used in your organization(s) or in the organisation(s) you are involved with, with respect to making best use of stakeholder feedback? (Is stakeholder feedback leading to decisions that improve our services, products and operations and/or our future performance?)

Figure 3.8: Effectiveness of stakeholder engagement practices related to making best use of stakeholder feedback
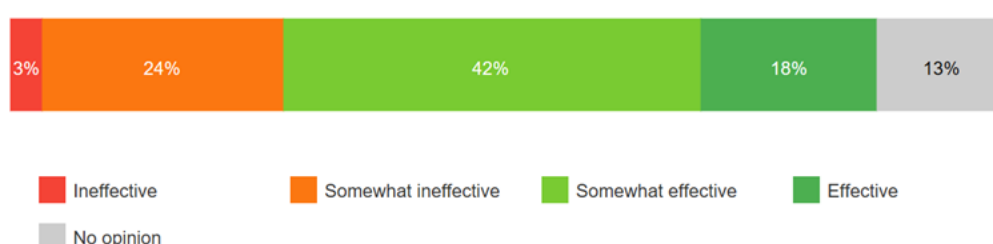
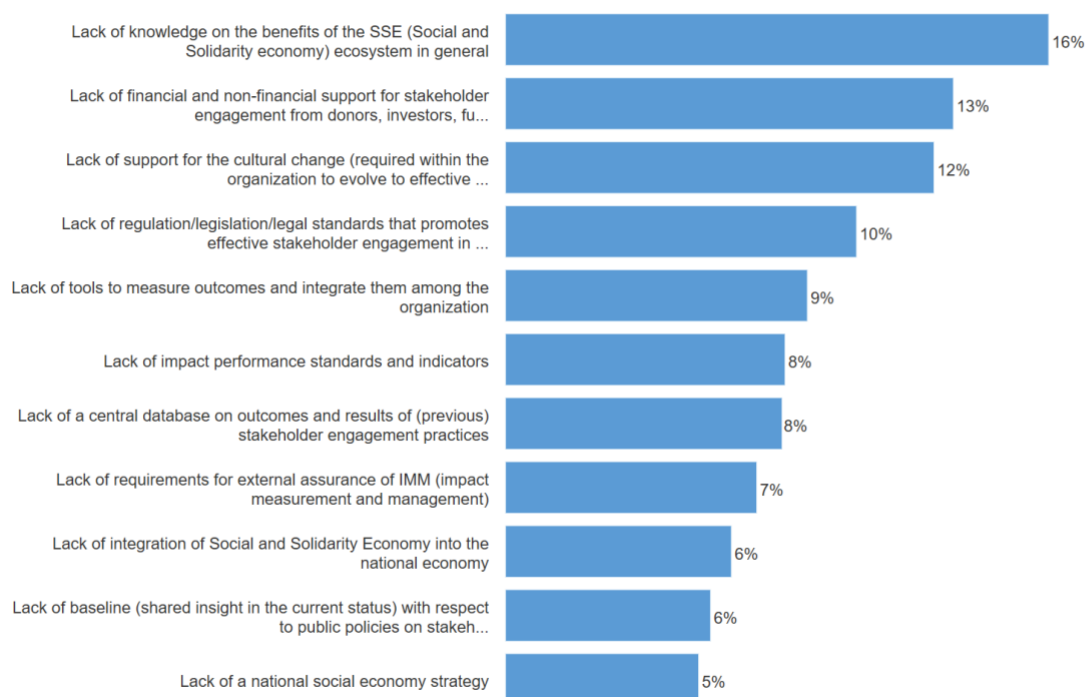*3.8 Gaps in the SSE that hamper stakeholder engagement in IMM*

Respondents have identified multiple gaps in the prevailing Social and Solidarity Economy (SSE) ecosystem that hamper stakeholder engagement in IMM. The top 3 recurring gaps identified are (Figure 3.9):

- Lack of awareness and knowledge on the benefits of the SSE ecosystem in general. (16%)
- Lack of financial and non-financial support for stakeholder engagement by donors, investors, funders, … (13%)
- Lack of support for the cultural change, as required within the organization to evolve to effective stakeholder engagement in IMM. (12%)

A more complete list of identified gaps is provided in the list below.

Question: What are the gaps in the SSE (Social and Solidarity Economy) ecosystem (e.g., policies, levers, standards, norms, incentives, ...) that hamper stakeholder engagement in IMM (impact measurement and management)? Please indicate the importance of each gap by providing a value to each gap you consider relevant, with the total of assigned values reaching 100. The fields for the options that you consider not relevant may remain blank, you do not have to assign a value 0.

**Figure 3.9: Gaps in the SSE that hamper stakeholder engagement in IMM**

Category	%
Lack of knowledge on the benefits of the SSE (Social and Solidarity economy) ecosystem in general	16%
Lack of financial and non-financial support for stakeholder engagement from donors, investors, fu...	13%
Lack of support for the cultural change (required within the organization to evolve to effective ...	12%
Lack of regulation/legislation/legal standards that promotes effective stakeholder engagement in ...	10%
Lack of tools to measure outcomes and integrate them among the organization	9%
Lack of impact performance standards and indicators	8%
Lack of a central database on outcomes and results of (previous) stakeholder engagement practices	8%
Lack of requirements for external assurance of IMM (impact measurement and management)	7%
Lack of integration of Social and Solidarity Economy into the national economy	6%
Lack of baseline (shared insight in the current status) with respect to public policies on stakeh...	6%
Lack of a national social economy strategy	5%

N 115

4. Desired situation

4.1 Appetite to improve stakeholder engagement

69% of respondents indicate that the **level of appetite** to improve/develop the quality of stakeholder engagement (in IMM) in their organization is high (41%) or very high (31%) (Figure 4.1).

Question: What is the level of appetite/desire, among your organization(s) or those you are involved with, to develop/improve the quality of stakeholder engagement in IMM (impact measurement and management)?

Figure 4.1: Degree of appitite in respondents' organizations to improve quality of stakeholder engagement in IMM

Absent	Low	High	Very high	No opinion
	19%	41%	31%	6%
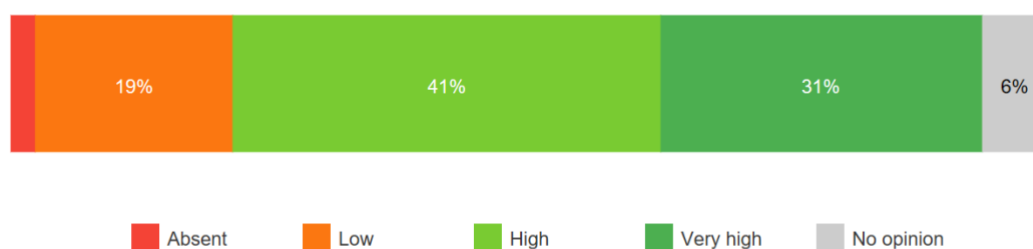
4.2 Desired framework for Stakeholder's engagement

In general, respondents consider that the appropriate level of engagement and the best way of engaging stakeholders in an organization is highly context specific. As such, it is difficult to formulate general rules or best practices that would always be applicable. However, some responses may be highlighted as they provide useful insights.

4.2.1 What type of stakeholders to engage?

The type of stakeholders that should be most involved, according to the respondents, are (Figure 4.2):
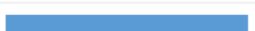
- the direct and ultimate beneficiaries (83%)
- employees (75%)
- communities and civil society (70%)
- management (67%)
- minorities and disadvantaged / marginalized groups (60%).

To a lesser extent, some respondents also consider one should engage:

- suppliers (44%)
- public policy institutions (43%)
- investors (38%)
- public leaders (34%).

Question: What type of stakeholders should be engaged in your organization(s) or in the organizations that you advise? (Please select the options you agree with, multiple selections are allowed.)

Figure 4.2: Type of stakeholders who should be most involved in respondents' organizations

	Count	% of responses	%
Direct and ultimate beneficiaries	124		83%
Employees	113		75%
(Local) communities / civil society	105		70%
Management / Executives	100		67%
Minorities and disadvantaged groups / marginalized groups	90		60%
Suppliers / Supply chain actors	67		45%
Public Policy institutions	65		43%
Investors	57		38%
Public leaders	51		34%
Other, please specify	27		18%
None of the above	2		1%
			N 150

Under the category 'other types of stakeholders' to be involved, some respondents also mention: Scholars, Family members, Volunteers, Minorities and disadvantaged groups, external Entrepreneurs and Banking foundations.

4.2.2 When to engage stakeholders?

Overall, 74% of the respondents consider that stakeholder engagement should start at the beginning, already during the design and preparation phase of a project, initiative, service or business (Figure 4.3).
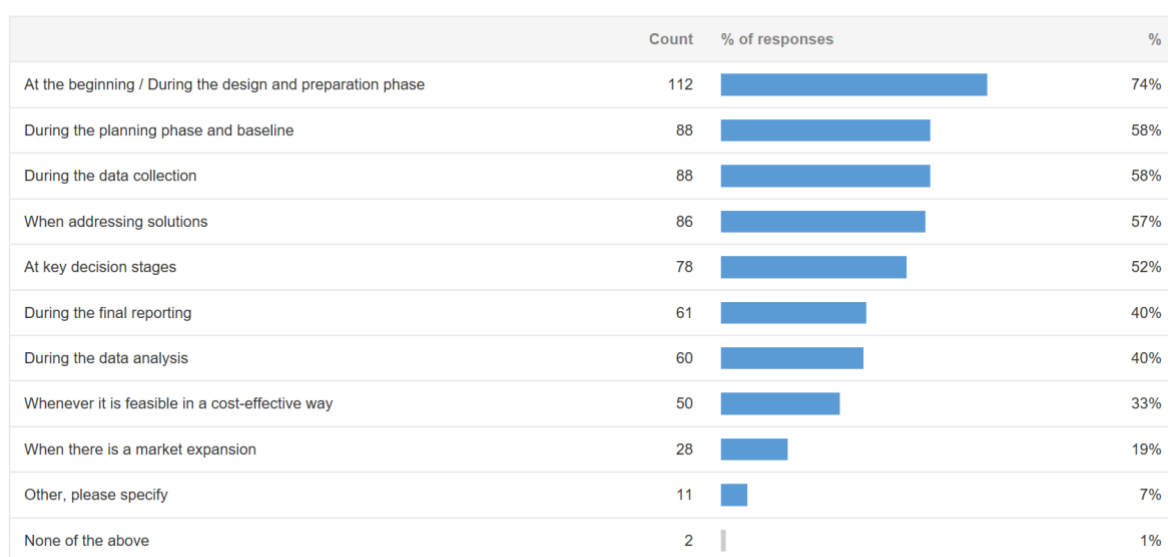
Respondents consider that, if possible, organizations should continue this engagement throughout the execution process and specifically when solutions must be addressed (57%), when key decisions have to be taken (53%) or validation is needed (40%). However, some respondents also acknowledge that continuous stakeholder engagement is not always possible. As such, organizations should do their best considering the context and environment they evolve in and their ability to engage stakeholders in a cost-effective way.

Under the category 'other' respondents also provide the following answers:

- When activities affect the stakeholders involved;
- Regularly on a specific schedule;
- Various stakeholders can be involved at different stages of the entire process;
- When there is a change or challenge arises;
- When appropriate for validating conclusions during data analysis;
- Applying a life cycle concept.

Question: When should stakeholders be engaged in your organization(s) or in the organizations that you advise? (Please select the options you agree with, multiple selections are allowed.)

Figure 4.3: When stakeholders should be engaged in organizations

	Count	% of responses	%
At the beginning / During the design and preparation phase	112		74%
During the planning phase and baseline	88		58%
During the data collection	88		58%
When addressing solutions	86		57%
At key decision stages	78		52%
During the final reporting	61		40%
During the data analysis	60		40%
Whenever it is feasible in a cost-effective way	50		33%
When there is a market expansion	28		19%
Other, please specify	11		7%
None of the above	2		1%

N 151

4.2.3 How often to engage stakeholders?

Again, respondents highlighted when and how often to engage stakeholders is highly depending on *the context.* The appropriate occurrence depends highly on the magnitude of the decisions to be made, the amount of data available, the feasibility and easiness for collecting data, the activities of the organization, etc. They consider that frequency depends on what is realistic, feasible and useful.

Organizations should find the right balance to avoid stakeholders' fatigue while being inclusive enough.

Nonetheless, respondents indicated that, whatever the context of the organization, stakeholders have to be engaged (Figure 4.4):

- on a regular basis and specifically whenever there is a new step in the IMM process (51%);

- when decisions have to be made on the social and environmental impact of an investment (46%).

Question: How often should stakeholders be engaged in your organization(s) or in the organizations that you advise? (Please select the options you agree with, multiple selections are allowed.)

Figure 4.4: Frequency that stakeholders should be engaged with respondents' organizations

	Count	% of responses	%
Whenever there is a new step in the IMM (impact measurement and management) process	74		51%
When a decision has to be made about social and environmental impact of an investment	67		46%
When stakeholder engagement is feasible in a sufficiently cost-effective manner	52		36%
When any decision has to be made in the organization	32		22%
Quarterly	27		19%
Other, please specify	18		12%
Monthly	15		10%
None of the above	2		1%

N 145

Under the category 'other', respondents also provided the following answers:

- When impact management project is at hand;
- As often as it is required by stakeholders;
- Depending on project and context;
- When a project is started and completed;
- When making specific transactions;
- Regularly and as often as needed.

4.2.4 How to engage stakeholders?

The most preferred ways to engage stakeholders are (Figure 4.5):

- Direct contacts such as focus groups/workshops (76%);
- 1-to-1 discussions and interviews (65%);
- Community meetings and participation in local advisory committees (62%).
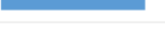
A significant number of respondents also selected the following useful modes of stakeholder engagement:

- Informal conversations (45%);
- Mobile data collection (45%);
- Online communication & social media (43%)
- and written communication (41%).

Still, respondents indicate that the best way to engage stakeholders *highly depends on the context, the capacity to collect data and the availability of stakeholders*. Organizations should thus choose a combination of different tools that best suit their own context and the preference of their stakeholders. Respondents specifically advance the idea and practice of co-creation to build an adequate framework for effective stakeholder engagement.

Question: How should stakeholders be engaged in your organization(s) or in the organizations that you advise?
(Please select the options you agree with, multiple selections are allowed.)

Figure 4.5: Respondent views on how stakeholders should be engaged in their organization

	Count	% of responses	%
Focus groups / Workshops	113		76%
Interviews / 1 to 1 discussions	97		65%
Community meetings / Participation in local advisory committees	92		62%
Mobile data collection	68		46%
Discussion with community leaders, politicians, civil servants, …	68		46%
Informal conversations	67		45%
Online communication, social media	64		43%
Written communication	61		41%
Other, please specify	15		10%
None of the above	3		2%

N 149

Under the category 'other', respondents also provided the following answers:

- Combination of the above;
- All are appropriate;
- Co-creation sessions;
- Collective sensemaking;
- Indigenous methods;
- Participatory narrative inquiry;
- Self-signification of individual beneficiary and stakeholder stories.

4.3 Desired level of involvement of government / public actors

At least, 70% of the respondents estimate that governments at every level (local, provincial/regional, and national levels) should be moderately or highly involved in promoting and mainstreaming stakeholder engagement in IMM (Figure 4.6).

Question: What should be the level of involvement of government in promoting and mainstreaming stakeholder engagement in IMM (impact measurement and management) by organizations?

Figure 4.6: Respondent views on what level of government should be invovled in promoting stakeholder engagement

	Average	Count	% of responses
At national level	70%	112	5% / 15% / 40% / 36% / 4%
At local level	70%	111	10% / 13% / 30% / 41% / 6%
In putting legislation and regulation in place that requires a minimal level of stakeholder engagement in measuring and managing the impact of organizations	68%	112	8% / 13% / 38% / 31% / 11%
At provincial/regional level	67%	111	8% / 14% / 41% / 32% / 5%
In putting legislation and regulation in place with respect to external assurance of impact reporting and minimal levels of organizations' accountability to their stakeholders	62%	113	9% / 19% / 39% / 24% / 10%

🟥 No involvement   🟧 Low level of involvement   🟩 Moderate level of involvement   🟩 High level of involvement   ⬜ No opinion

N 113

The survey revealed *significant gaps between the current level and the desired level of monitoring and evaluation capacity among governments* (Figure 4.7):

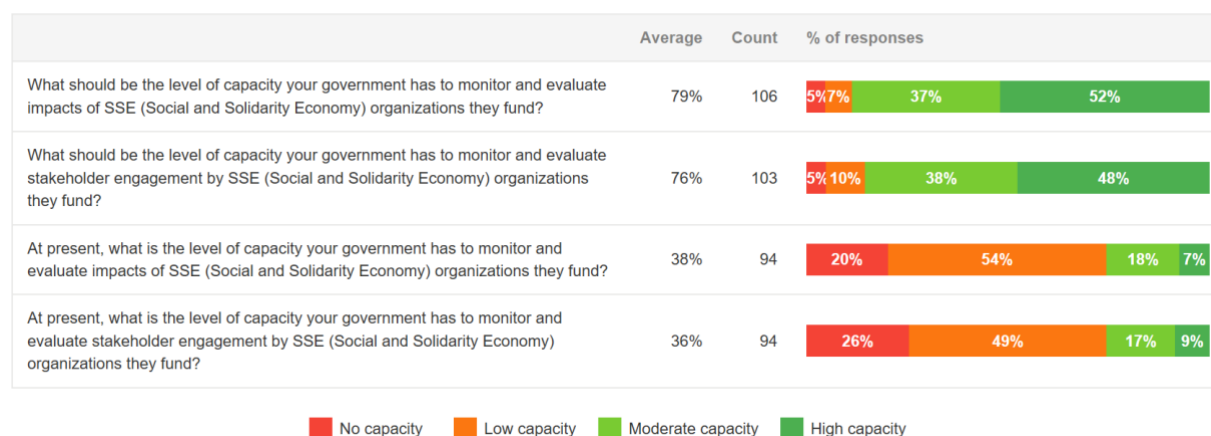- The capacity of government to monitor and evaluate the impact of SSE organizations they fund shows a gap of 64% between the perceived current situation (25%) and the desired situation (89%).
- Currently 74% of respondents perceived no or low capacity of governments to monitor and evaluate the impact of SSE organizations they fund; while only 12% of respondents find that such level of capacity is acceptable for the desired situation.
- The capacity of government to monitor and evaluate stakeholder engagement (SE) by SSE organizations they fund, shows a gap of 60% between the perceived current situation (26%) and the desired situation (86%).
- No or low capacity is currently perceived by 75%, while it only 15% of respondents consider that such a low level of capacity is acceptable in the desired situation.

Question: Level of monitoring and evaluation capacity of governments

Figure 4.7: Respondent views of monitoring and evaluation capacity of governments

	Average	Count	% of responses
What should be the level of capacity your government has to monitor and evaluate impacts of SSE (Social and Solidarity Economy) organizations they fund?	79%	106	5% / 7% / 37% / 52%
What should be the level of capacity your government has to monitor and evaluate stakeholder engagement by SSE (Social and Solidarity Economy) organizations they fund?	76%	103	5% / 10% / 38% / 48%
At present, what is the level of capacity your government has to monitor and evaluate impacts of SSE (Social and Solidarity Economy) organizations they fund?	38%	94	20% / 54% / 18% / 7%
At present, what is the level of capacity your government has to monitor and evaluate stakeholder engagement by SSE (Social and Solidarity Economy) organizations they fund?	36%	94	26% / 49% / 17% / 9%

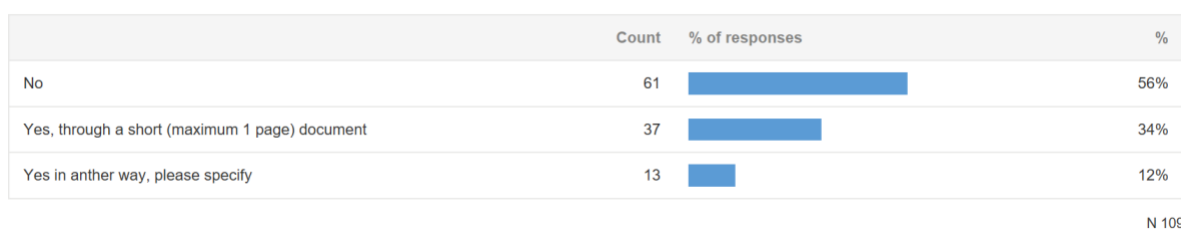🟥 No capacity   🟧 Low capacity   🟩 Moderate capacity   🟩 High capacity

5. Collection of further information

5.1 Sharing of experiences

A total of 50 respondents indicated their interest in actively sharing their experiences on stakeholder engagement related to IMM (Figure 5.1).

Question: Would you be interested to share an interesting experience or story with us on stakeholder engagement related to impact measurement and management?

Figure 5.1: Respondent willingness to share their experiences on stakeholder engagement

	Count	% of responses	%
No	61		56%
Yes, through a short (maximum 1 page) document	37		34%
Yes in anther way, please specify	13		12%

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5.2 Issues and opportunities on relevant topics

The survey also invited respondents to provide ideas and comments on issues and opportunities to address different topics. The most significant contributions are listed below.

- Issues to address with respect to *impact measurement and management:*
  - Need to enhance related roles of strategic units of governments
  - Measurable indicators to complex to use
  - Taking into account local and personal context
  - Standards for impact measurement to ensure credibility of the process
  - Big-data use
  - Reducing costs and increasing efficiency of IMM
  - Lack of time to execute it
  - Lack of connection with SDGs
  - Participatory narrative inquiry
  - Qualitative research method.

- Opportunities for improvement of *impact measurement and management:*
  - Involve local administration
  - Harmonisation of indicators and development of common standards and regulations
  - Unifying framework of 3-5 basic principles to always measure the same thing
  - Quantitative measure and impact evaluation
  - Highly recommended resources for knowledge and training
  - Integration into organisational practice
  - Social Value Certificate support for providers
  - Setting it as a standard for ESG reporting.

- Issues to address with respect to *stakeholder engagement:*

- o Conflict of interests
- o The a-priori knowledge of SSE
- o Territorial cohesion
- o RCT and independent verification costs that are too high
- o Clarity on burdens
- o Frameworks for inclusive and generative collaborative dialogue and cases to inspire.

- Opportunities for improvement of *stakeholder engagement:*
  - o Improve communication
  - o Social organisation
  - o Starting the process from local communities
  - o Improve surveys
  - o Organisational priority
  - o Counsel from human-centred, justice- and equity-focused designers.

- Issues to address with respect to *the ecosystem for the SSE* (social and solidarity economy):
  - o Need for better aligned jargon
  - o Poor connection to the needs of social enterprises
  - o Lack of true coordination and collaboration

- Opportunities *for improvement of the ecosystem for the SSE* (social and solidarity economy):
  - o More sharing good and bad practices
  - o Trust local actors
  - o Umbrella organisations and joint advocacy
  - o Clear message and methodology to share
  - o Government leads and provides policy and resources

- Issues to address with respect *to policies and/or roles of governments* (in relation to impact measurement and management, stakeholder engagement and/or the ecosystem for the social and solidarity economy):
  - o Need for better fiscal regulation
  - o Lack of obligations / requirements
  - o Transition from ROI to SROI
  - o Improve the language towards a more understandable shared one
  - o Incentives rather than punishments
  - o Training of government officials

- Opportunities for improvement of policies and/or roles of governments (in relation to impact measurement and management, stakeholder engagement and/or the ecosystem for the social and solidarity economy):
  - o Standardisation for preferred impacts in each country (social value model)
  - o Quantitative expansion of IMM & SSE ecosystem.