Social Return on Investment (SROI) Analysis: An Innovative Framework for Measuring the Impact of One Health¹

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Abstract – Control of zoonotic diseases (and those of zoonotic origin) requires early, rapid, and coordinated actions across various sectors. A One Health approach to control and prevent the spread of zoonotic diseases has been gaining momentum over the past decade, although we lack a rich evidence base which demonstrates the value of this approach. An innovative mixed methods framework, social return on investment (SROI) analysis, may be a useful tool to measure and communicate the impacts of One Health initiatives, demonstrate value for money, and attract and disburse funding. Its assessment across the triple bottom line (social, environmental, and economic) and involvement of key stakeholders throughout the analysis process may be particularly relevant for planning and evaluation of initiatives in this area.

Keywords – social return on investment, one health, impact measurement, evaluation

1. Introduction

Deemed the deadlest epidemic of our time, HIV/AIDS has had wide-ranging impacts on the lives of millions of individuals, families and households; population growth and national mortality; and virtually every sector of society including agricultural sustainability; business; the health sector; education; and economic growth (UN, 2004). While much effort and progress has been made in recent years to reduce resulting mortality and morbidity, devastation caused by the disease will continue for decades to come. But what if HIV/AIDS had been controlled at its animal source before spreading in humans (World Bank, 2012)? Or what if tuberculosis had been controlled at its animal source before spreading in humans (World Bank, 2012)?

Control of zoonotic diseases (and those of zoonotic origin) requires early, rapid, and coordinated actions. They account for approximately 70 percent of emerging infectious diseases and are a major source of human suffering and economic losses that often disproportionately affect the poorest households in developing countries. From rabies to influenza, food-borne and water-borne illnesses, these diseases can quickly turn from outbreaks into pandemics and have devastating impacts on communities, local to global. A recent report released by the World Bank estimates the economic losses from six major outbreaks of highly fatal zoonoses between 1997 and 2009 (i.e., Nipah Virus (Malaysia), West Nile Fever (USA), SARS (Asia, Canada, other), HPAI (Asia, Europe), BSE (US, UK), and Rift Valley Fever (Tanzania, Kenya, Somalia)) amounted to at least US$80 billion. Had they been prevented, the benefits of the avoided losses would have averaged $6.7 billion per year. Fortunately none of those outbreaks developed into pandemics, but if they had, the economic losses would have been much greater, accompanied by major societal disruptions, and a possibly severe human toll (World Bank, 2012).

Controlling and preventing the spread of zoonotic diseases can be challenging, although the One Health approach has been gaining momentum over the past decade (Gibbs, 2014). This approach involves the collaborative efforts of multiple disciplines working locally, nationally, and globally to attain optimal health for people, animals and the environment (World Bank, 2012). It requires cooperation and coordination across various sectors and services, including human health, veterinary services, agriculture, and food safety and security, given that surveillance, diagnosis, and zoonotic disease control are interdependent on all of these. There are many institutions involved in One Health initiatives including bilateral and multilateral agencies such as the United States Agency for International Development (USAID), Swiss Agency for Development and Cooperation (SDC), World Health Organization (WHO), World Bank, World Organization for Animal Health (OIE), and Food and Agriculture Organization (FAO); professional associations such as medical

¹This article is based on a presentation given during the 2nd GRF Davos One Health Summit 2013, held 17-20 November 2013 in Davos, Switzerland (http://onehealth.grforum.org/home/)
and veterinary organizations; national agencies such as the Centers for Disease Control and Prevention (CDC); and universities and researchers across the globe (World Bank, 2012). In addition, NGOs, corporations, and communities are also key actors and/or stakeholders in the environment in which One Health operates.

At a conceptual level, One Health seems to offer obvious benefits to tackling zoonoses and there are examples where using this approach in practice has resulted in efficiency gains. For example, in Jaipur, India, dog vaccination and sterilization resulted in a decrease of human rabies cases to zero (compared to states which did not have this campaign). In Kyrgyzstan, public health workers and veterinary workers visit farms together, resulting in lower surveillance costs for brucellosis, echinococcosis, and other zoonotic diseases. And in Chad, joint animal-human vaccination campaigns of DPT and polio in children and CBPP control in livestock resulted in greater coverage in both humans and livestock (World Bank, 2012).

Despite these cases however, we still lack a rich evidence base that demonstrates the success of One Health. Until we measure the success of One Health-centered projects or programs, how do we know they are indeed successful? And furthermore, how can we communicate that with various stakeholders? Given that the One Health approach involves various sectors from human health, to animal, to environmental, to agriculture, and also the various types of organizations intersecting in this sphere from governments, to NGOs, to big business, we need measurement approaches which are holistic enough to capture the various costs and benefits of One Health, and also a common language for communicating its impacts which we can all relate to. While measuring impact may not be easy, nor a perfect science, ultimately what gets measured, gets valued, and we must attempt to make progress in that direction as we move forward.

While there are various ways to measure impact (see Clark et al., 2004; The Rockefeller Foundation and Goldman Sachs Foundation, 2003), social return on investment (SROI) analysis may be a particularly relevant tool for One Health. SROI analysis was originally designed as a framework to measure the results of social enterprises (REDF, 2002; NEF 2004; NEF 2007; Durie et al., 2009; Durie, 2009; Scholten et al., 2009). However, it is increasingly being recognized in recent years as useful across other sectors, including international development and global health (Das et al., 2009; Kumar, 2011a; Kumar, 2011b). SROI analysis may also be applicable in the context of One Health, although this has not been widely explored as of yet. The remainder of this paper will introduce the SROI framework (as laid out in A guide to social return on investment (Nicholls et al., 2009)) and how it may be useful to organizations working in this area.

2. Overview of social return on investment (SROI) analysis

In general, social return on investment analysis is a process for understanding, measuring, and reporting on the social, environmental, and economic value created by an organization, program, or policy (Scholten et al., 2006). It is an extension of cost-benefit analysis (CBA), but explicitly requires the participation of key stakeholders in the analysis process (among a few other distinctions) (Nicholls et al., 2009; Arvidson et al., 2010). SROI analysis can be applied at the program, policy, or organizational level, and can be carried out largely as an in-house exercise or by an external researcher. It can be applied during the planning stage or evaluation. SROI analysis that is evaluative is carried out retrospectively and is based on actual outcomes that have already happened, while one that is forecast predicts how much value will be created if the intervention meets its intended outcomes (Scholten et al., 2006; Nicholls et al., 2009). It can be used by various types of organizations, including governments, NGOs, corporations, donors, investors, etc.

Developed from social accounting and cost-benefit analysis, SROI analysis is based on seven major principles that underpin how SROI analysis should be applied.

The first principle – involve stakeholders – suggests that stakeholders, i.e., people, organizations, or entities that experience change as a result of an intervention, are best placed to describe the changes. Therefore, stakeholders must be identified and involved in consultation throughout the process of analysis, to ensure that the value and the way it is measured is informed by those affected by or those who affect the intervention.

The second principle – understand what changes – requires that the theory of how changes are created (i.e., “theory of change”) be articulated and evidence-based. Given that value is created for or by different stakeholders as a result of different types of change, the theory of change should incorporate both stakeholders’ intended and unintended consequences, as well as both positive and negative changes. These changes are the outcomes of the intervention, often conceived of in social, economic, and environmental terms, and should be measured to provide evidence that the change has taken place.

The third principle – value the things that matter – suggests the use of financial proxies to recognize the value of outcomes. This principle is based on the idea that ‘what gets measured, gets valued’ and too often, the value of social outcomes is not recognized due to the relative difficulty in measuring them. To prevent such mishap, it is critical to use financial proxies to estimate their value.

The fourth principle – only include what is material – suggests the importance of determining what information and evidence must be included in the analysis to give an accurate representation upon which stakeholders can base their decisions. Materiality is a concept borrowed from accounting that suggests that information is material if it has the potential to affect the reader’s or stakeholder’s decision. This requires an assessment of whether decision making about the intervention would be influenced if a particular piece of information were excluded. Because of the importance of transparency, decisions about what information is material should be documented to show why information has been included or excluded.

The fifth principle – do not over-claim – suggests that an intervention should only claim the value that it is re-
sponsible for creating. This requires reference to trends and benchmarks to help assess the change caused by the intervention, as opposed to other factors, and to take into account what would have happened anyway. In addition, it requires consideration of the contribution of other organizations or interventions to the reported outcomes to match the contributions to the outcomes.

The sixth principle – be transparent – suggests that each decision relating to stakeholders, outcomes, indicators, and benchmarks; the sources and methods of information collection; the various scenarios considered and the communication of results to stakeholders, should be explained and documented. This will also include a discussion of how those responsible for the intervention will make changes to it as a result of the analysis.

The seventh principle – verify the result – suggests that appropriate independent assurance should be undertaken, similar to the concept of independent audit of financial reports, to help stakeholders assess whether or not the decisions made by those responsible for the analysis were reasonable, given that the analysis inevitably involves some subjectivity (Nicholls et al., 2009).

Driven by these principles, carrying out a SROI analysis involves six broad stages. The first stage – establishing scope and identifying key stakeholders – involves setting clear boundaries of what the SROI analysis will cover, who will be involved in the process and how. The second stage – mapping outcomes – involves the development of an impact map, or theory of change, as a result of engaging with stakeholders, that shows the relationship between inputs, outputs, and outcomes. The third stage – evidencing outcomes and giving them a value – involves finding data to demonstrate whether outcomes have happened and then valuing them. The fourth stage – establishing impact – involves, after having collected evidence on outcomes and monetizing them, eliminating those aspects of change that would have happened anyway or are a result of other factors. The fifth stage – calculating the SROI – involves summing up all the benefits, subtracting any negatives, and comparing the result to the investment. The SROI ratio tells you that for every dollar invested in an intervention, the dollar amount that will be generated in social, environmental, and economic value. For example, a SROI ratio of 3:1 indicates that an investment of US$1 delivers US$3 in value. Sensitivity of the results is also tested in this stage. The sixth and final stage – reporting, using, and embedding – involves sharing findings with stakeholders, responding to the findings, embedding good outcomes processes, and verification of the report (Nicholls et al., 2009).

It is important to note that SROI analysis is not limited to just one number, rather it presents a framework for exploring an intervention’s full impact, in which monetization plays an important but not exclusive role (Nicholls et al., 2009). A mixed methods and participatory approach, a final SROI report includes quantitative, qualitative, and financial information upon which to base decisions. In addition to its use in program planning or evaluation, SROI analysis can also be used for organizational strategic planning, performance management and learning, attracting investment, making investment decisions when considering entities or projects, strategic philanthropy, budgeting, scenario planning, and making policy decisions (Scholten et al., 2006; Brest and Harvey, 2008; Nicholls et al., 2009; Lawlor, Nicholls, and Nietzert, 2009).

3. Applying SROI analysis in One Health

While SROI analysis can be a useful tool in general, it may be particularly applicable in the One Health context. The explicit requirement of participation of key stakeholders in the SROI analysis process can serve to strengthen communication, accountability, and relationships, which can be of prime importance given the various stakeholders involved in the One Health operating environment. Engaging with intended beneficiaries as one of the key stakeholder groups in particular can help not only in detection of disease, but also in getting buy-in, and revealing insights and potentially unintended consequences which may otherwise not be apparent. Taken together, such benefits of stakeholder engagement can promote improved implementation and success (and is the primary added value of SROI analysis over CBA as typically practiced wherein key stakeholders are not necessarily consulted).

In addition, the examination of the triple bottom line (i.e., social, environmental, and economic) in SROI analysis is crucial to understanding the costs and benefits of an approach as holistic as One Health. Another benefit of SROI is its communication of impact in terms familiar to the private sector, i.e., “return on investment.” Having a common language may facilitate better engagement and understanding with corporations who either affect or are affected by One Health initiatives. In addition, the ability to communicate impact and in financial terms can strengthen the evidence base and attract much needed donors and funding in One Health. In a world of limited resources, it is important to demonstrate and achieve the best value for money and SROI can help do that. Furthermore, organizations working in One Health ought to be strategic and take advantage of the possibilities to share costs given that problems and solutions in One Health are often multidimensional. SROI analysis can facilitate thinking about investments in the context of an overall investment portfolio and aid such strategic cost sharing and philanthropy. Ultimately, SROI analysis can provide evidence about the impacts of One Health-centered initiatives in order to improve decision-making and produce better outcomes, in short to prove and improve the value of One Health.

Like any technique, SROI analysis is not without its drawbacks. Monetizing benefits can be challenging and comparing ratios across projects or domains can be problematic given judgements and analyses may not have been conducted in a consistent and comparable manner (Arvidson et al., 2010). Furthermore, involving stakeholders can be expensive. However, depending on what type of planning, monitoring and evaluation activities organizations working in One Health are already doing, it may be feasible to build off of existing practices and data to perform a SROI analysis. And the payoff could be well worth it, both in terms of improved implementation and ability to
attract funds.

4. Conclusion

While we cannot change the past, we can change the future. Had we controlled the spread of certain diseases in animals before they spread to humans, we would not have had to endure the terrible human suffering caused by diseases like HIV/AIDS and TB, nor borne the economic costs to control them, estimated to be US$5 billion annually for TB and up to US$722 billion in 2009-2031 or US$28 billion annually for HIV/AIDS (Hecht et al., 2010; World Bank, 2012). In comparison, the required investments in One Health systems ranging between US$1.9 billion to US$3.4 billion per year are modest (World Bank, 2012). However, to obtain these required investments and support informed decision-making, we must intensify evidence-based research in One Health. In addition, we should seek financing mechanisms that support and promote effective investments for One Health approaches to improve the welfare of people and other living species. We must strengthen prevention and investments in preventive measures to provide the tools necessary for risk management. And we must showcase the added value of One Health approaches by building a database of case studies in order to facilitate discussions with donors and other key stakeholders (GRF, 2013). Social return on investment (SROI) analysis is an innovative framework that may assist in the achievement of each of these goals. With its emphasis across social, environmental and economic outcomes as well as involvement of key stakeholders in the analysis process, it can enable the measurement and communication of the impacts of One Health initiatives in a holistic, systematic and rigorous manner and help guide the choices decision makers face when deciding where to spend time and money. As we move forward in One Health, these words from former US President John F. Kennedy are as relevant today as they were decades ago: “There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction.”

References


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