

A Study on Social Impact Evaluation in International Cooperation: Toward Effective Project Implementation by Japanese Nonprofit Organizations

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Abstract:

The nonprofit sector plays a vital role in international cooperation despite encountering challenges such as limited human, time, and financial resources while addressing complex social issues. Evaluation is key to maximizing project efficiency and quality. This study explores how Japanese nonprofit sectors evaluate their projects and their potential use of Social Impact Evaluation (SIE) in evaluation activities, aiming to suggest improvements for targeted organizations.

Through questionnaires and interviews, it was found that challenges such as limited human, time, and financial resources, as well as insufficient information for evaluation, hindered the quality of evaluation efforts. While staff demonstrated motivation and interest in project evaluation, they lacked adequate knowledge of evaluation tools and methodologies. To address these challenges, the study proposed the introduction of evaluation management during both the project planning phase and the long-term improvement process of evaluation activities. To ensure successful implementation, a feasibility study was conducted to tailor the evaluation management steps to the specific needs of targeted organizations and facilitate adoption.

Keywords and phrases: Social Impact Evaluation, Impact Evaluation, Project Evaluation, NGO/NPO, International Cooperation

1. Introduction

Social Impact Evaluation (SIE) is a comprehensive concept that encompasses various aspects, including the desire to assess a project's social impacts, evaluation planning, data collection and analysis, and result utilization. This ongoing discussion within the subcommittee of SIE in the Japan Evaluation Society outlines two layers in the concept of SIE. The first layer entails the aspiration to visualize the non-financial value of projects, while the second layer involves conducting evaluations related to social impact, such as impact evaluation and program evaluation. While expected to serve as a common language facilitating innovation and problem-solving among stakeholders (Tsukamoto and Seki, 2020), ongoing discussions persist regarding

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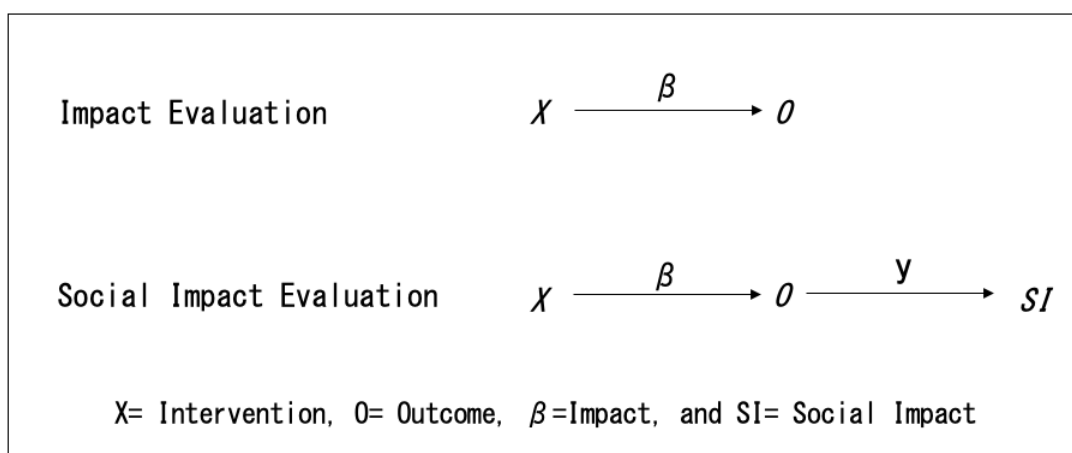
the concept of SIE, its distinction from program evaluation and impact evaluation, and its varied applications across sectors such as finance, dormant deposit utilization¹, and international development. Despite numerous studies examining SIE methodologies, few have focused on its implementation status in international cooperation and nonprofit sectors. This thesis aims to clarify the current status of SIE implementation and evaluation activities within nonprofit sectors engaged in international cooperation.

2. Literature Review

2.1 Evaluation in International Cooperation

Within the realm of international cooperation, numerous researchers and institutions have been actively refining evaluation criteria, frameworks, and concepts to enhance project implementation. One prominent framework is program evaluation, which comprises five stages: needs assessment during project planning, theory evaluation and process evaluation post-intervention, and outcome/impact evaluation and efficiency evaluation upon project completion (Rossi, et al., 2004). The outcome/impact evaluation as part of program evaluation is distinct from SIE. As shown in Diagram 1, a better outcome/impact evaluation is where the magnitude of impact (β) can be estimated with smaller errors. SIE does not require a causal relationship between project intervention (X) and the social impact (SI), which is a weak logical structure from an impact evaluation perspective (Tsutomi and Masaki, 2020).

Diagram 1 Difference between Impact Evaluation and SIE



Source: Created by the materials from Tsutomi and Masaki (2020)

¹ The system in which dormant deposits in bank accounts which have been inactive for 10 or more years are utilized to promote public interest activities (JANPIA, 2019).

Additionally, the Organization for Economic Cooperation and Development (OECD) has established six evaluation criteria—relevance, coherence, effectiveness, efficiency, impact, and sustainability—as key reference points for evaluating international humanitarian and development initiatives and policies (see Table 1). Consequently, evaluation practices have been continuously evolving in the field of international development. However, there remains a paucity of studies and practical applications regarding SIE.

Table 1 Current OECD–DAC Evaluation Criteria

Criteria	Description
Relevance	The extent to which the intervention objectives and design respond to beneficiaries, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
Coherence	The compatibility of the intervention with other interventions in a country, sector or institution.
Effectiveness	The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.
Efficiency	The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.
Impact	The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
Sustainability	The extent to which the net benefits of the intervention continue or are likely to continue.

Source: Created by the materials from OECD (n.d.)

2.2 Evaluations in the Nonprofit Sector

The importance of evaluating nonprofit activities has increased significantly in recent years, driven by the need to uphold accountability and enhance operational quality (Kurimura, 2022). Nonprofit organizations face several challenges in evaluation, including a lack of commitment to evaluation, limited resources such as human, time, and financial constraints, and insufficient capacity and knowledge among staff to conduct evaluations effectively. Moreover, there is a lack of understanding of systematic evaluation methodologies and specific data collection and analysis methods (Kurimura, 2022). Additionally, staff members often lack a comprehensive understanding of evaluation methodologies, hindering effective problem-solving with diverse stakeholders (Mitsubishi UFJ Research and Consulting Ltd., 2016).

Building upon these existing studies, this research examines why the Japanese nonprofit sector engaged in international cooperation underutilizes SIE and explores the potential for its use

in targeted nonprofit organizations. The research also evaluates the current utilization of program evaluation. The research hypotheses address: (1) the scarcity of human, time, and financial resources; (2) the complexity of evaluation methodologies; and (3) low staff motivation for evaluation.

2.3 Significance of the Study

This study holds significance in two key areas. Firstly, it addresses the utilization of SIE, which is believed to have a pivotal role in driving innovation and problem-solving across diverse stakeholders, acting as a common language (Tsukamoto and Seki, 2020). However, there exists a notable gap in discussions surrounding the concepts and practical application of SIE within the nonprofit sector and international cooperation studies. Secondly, the study delves into evaluation practices within the nonprofit sector. Despite the recognized importance of evaluation for accountability and project quality, there is a dearth of research on evaluation practices, including program evaluation and SIE implementation.

3. Research Design

This research comprises two main components: a questionnaire survey and an interview survey. These components are designed to validate the hypotheses and ascertain the current state of evaluation practices and SIE implementation. In order to contribute to the enhancement of evaluation activities within nonprofit sectors, a feasibility study was conducted for the proposed evaluation management, based on findings from the two surveys. The objective of the feasibility study is to refine the proposed evaluation management model into a more practical and potentially effective form, suitable for implementation within current nonprofit organizations and feasible for practical use. Table 2 shows the research methodologies, conducted dates, respondents, and tools of the study.

Table 2 Research Methodologies

	Methodologies	Date	Respondents	Tools
1	Questionnaire Survey	1/19–4/22 (2023)	50 NPOs belong to Japan NGO Center for International Cooperation and Kansai NGO Council	Google Form
2	Interview Survey	2/4–6/1 (2023)	10 individuals who cooperated the questionnaire survey	1 on 1 Interview
3	Feasibility Study	10/5–10/12 (2023)	2 groups consisted by 6 individuals who participated in the interview survey	Group Discussion

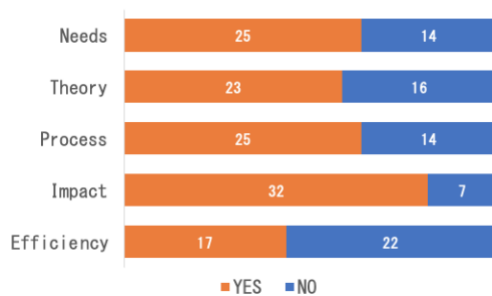
Source: Author

4. Results

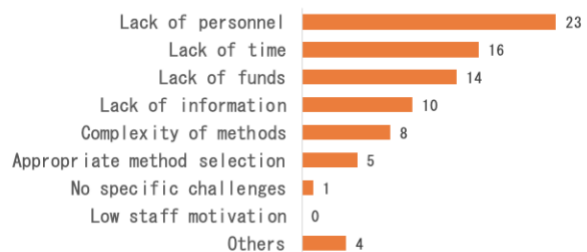
4.1 Program Evaluation in the Nonprofit Sector

Graph 1 illustrates the frequency of different types of program evaluation used. It reveals that impact assessment is the most commonly employed method, while efficiency assessment is relatively less familiar to organizations. Graph 2 highlights the significant challenges faced by many organizations, particularly concerning inadequate human, time, and financial resources. In most cases, there is a lack of clarity regarding the evaluation criteria for projects. For instance, the criteria for determining which projects to evaluate and which to omit are currently unclear. Furthermore, limited experience and knowledge of evaluation methodologies pose challenges for staff in selecting suitable evaluation designs for each project and implementing rigorous quantitative methods to assess social impact. As a result, they tend to rely on the Before-and-after design for impact evaluation (see Graph 3), considering it the most cost-effective and widely used approach (see Graph 4). Regarding staff motivation for evaluation, it can be inferred that this is not a significant challenge, as staff demonstrate a keen interest in evaluating projects and acquiring knowledge and experience in the process.

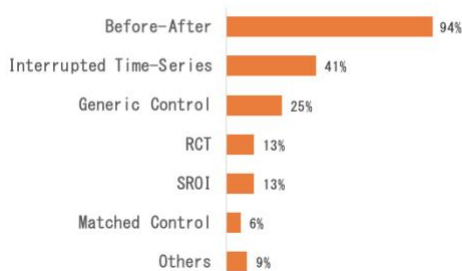
Graph 1 Which types of program evaluation do you use?
(n=39)



Graph 2 What are the challenges in impact evaluation?
(n=32, multiple choices allowed)



Graph 3 Which designs of the Impact Evaluation do you use?
(n=32, multiple choices allowed)



Graph 4 What are the reasons for using the evaluation designs?
(n=32, multiple choices allowed)



Source: Author

4.2 Analysis of Evaluation Challenges and Potential Implementation of SIE

To identify potential challenges in the evaluation process, the author analyzed the results of the interview survey from five different perspectives: project planning, data availability, staff interest and motivation, knowledge, and reporting practices. The findings revealed that many nonprofit organizations faced challenges related to their knowledge of evaluation. Notably, none of the organizations provided formal opportunities for staff to acquire basic evaluation skills; instead, individuals were left to pursue such knowledge independently. Additionally, some organizations struggled with project planning, exhibiting inconsistencies in setting project objectives and developing monitoring frameworks. Concerning reporting practices, while one organization lacked the means to share evaluation results externally, others had clear strategies for utilizing these results both internally and externally.

5. Feasibility Study

5.1 Suggestion of the Evaluation Management

Considering the findings of the previous surveys and their analyses, the evaluation management is suggested to enhance project quality by conducting a meaningful evaluation (see Table 3).

Table 3 Suggested Evaluation Management

Time frame	Evaluation Management Steps
Planning Phase	<ul style="list-style-type: none"> ● Identify the organizational vision and share it with the internal relations and external stakeholders ● Create a Theory of Change and plan the project
Evaluation Phase	<ul style="list-style-type: none"> ● Choose the evaluation criteria that contribute to the organization's vision ● Consider the purpose of the evaluation and how to use the results
Improvement Phase	<ul style="list-style-type: none"> ● Reflect on the relationship between project theory and the organization's vision, and carry on the next activities for improvement ● Plan the long-term PDCA cycle including the evaluation activities

Source: Author

This study conducted a feasibility study to refine the proposed evaluation management into a more practical and potentially effective form, one that can be implemented in current nonprofit

organizations and is feasible for practical use. Participants discussed the following topics: (1) Is it possible to ensure the execution of the planning phase? (2) Would it be possible to discuss which steps the evaluation manager cooperates with the project manager? (3) What elements are needed to improve evaluation activities in the long-term perspective? and (4) Who can facilitate this suggested evaluation management in your organization?

5.2 Results

In the discussion regarding the first point, some participants stated that they have sufficient time to discuss the relationship between daily operations and the vision, which facilitates their understanding. However, others noted that they typically do not measure the coherence between the project and vision because the vision tends to be too broad to quantify. For example, visions such as 'realizing world peace' are challenging to measure.

Regarding the second point, many participants emphasized the importance of involving those who assess or determine the overall direction of an organization from the planning stage to ensure proper evaluation. During the feasibility study, participants highlighted that the roles of the evaluator and project manager may not always be distinct.

The discussion on elements needed to improve evaluation activities from a long-term perspective concluded that human and financial resources, along with providing opportunities for staff to enhance their evaluation skills, are crucial for sustaining evaluation efforts.

Lastly, the question of who could facilitate this approach in the organization yielded varied responses. Some mentioned that individual staff members could facilitate this, while others suggested that representatives or the secretary-general of the organization must change their perspectives. One organization mentioned that their department of policy implementation, responsible for assigned evaluation activities, could facilitate this process. Additionally, reflecting on the quality of evaluation was deemed crucial for improvement.

Based on this discussion, the suggestion has been revised as follows (see Table 4). In the initial step of the planning phase, the task of "identifying the organizational vision" has been replaced with "identifying organizational priorities" to ensure alignment between project impacts and organizational goals. Organizational priorities encompass targeted areas, challenges, and aspirational goals aimed at achieving the organization's vision and mission. Additionally, some new steps have been introduced, and previous steps from the evaluation phase have been shifted to the planning phase.

Table 4 Revised Evaluation Management

Time frame	Evaluation Management Steps	Revised Points
Planning Phase	<ul style="list-style-type: none"> ● Identify “the organizational priority” and clearly state the predicated project impacts ● Create a Theory of Change and plan the project 	“The organizational vision” replaced with “the organizational priority”
	<ul style="list-style-type: none"> ● Identify the achievements expected after 1/3/5 years of the intervention ● Research stakeholders who are working on projects near the target region. Work together with them for the execution, data collection, and other relevant aspects 	Newly added
	<ul style="list-style-type: none"> ● Choose the evaluation criteria that contribute to the organization’s vision ● Consider the purpose of the evaluation and how to use the results 	Shifted from the Evaluation Phase
Evaluation Phase	<ul style="list-style-type: none"> ● Monitor the PJ progress based on planning 	Newly added
Improvement Phase	<ul style="list-style-type: none"> ● Reflect on the effectiveness of planned evaluation activities 	Same as the previous one
	<ul style="list-style-type: none"> ● Share results within the organization ● Engage in discussions regarding the quality of evaluation ● Evaluate the relevance of chosen indicators ● Evaluate the project 5–10 years after intervention 	Newly added

Source: Author

6. Conclusion

This study aimed to investigate the current state of evaluation activities and the potential for implementing SIE in Japanese nonprofit sectors engaged in international cooperation. The research findings underscored that inadequate human, financial, and time resources pose significant challenges to project implementation and evaluation. Although nonprofit sector staff are motivated and interested in evaluating projects and programs, they have limited knowledge of evaluation tools and methodologies. Additionally, two notable discoveries were made: the absence of a systematic process for selecting projects and programs for evaluation, and a lack of sharing of evaluation results with stakeholders.

Regarding the potential for implementing SIE, organizations face challenges in project planning, knowledge, and reporting background. Therefore, the introduction of evaluation management is expected to significantly enhance their capacity to conduct meaningful evaluations, thereby improving future projects, organizational management, and accountability. The author believes that the establishment of evaluation management will pave the way for the effective implementation of SIE in the long run.

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国際協力における社会的インパクト評価のあり方検討

—日本の非営利セクターがより良い活動を実施するために—

佐藤 夢乃*

【要旨】

国際社会は、紛争、気候変動、人道問題、人権侵害、不平等、多様性など、あらゆる複雑な課題に直面している。これらの問題に全世界で取り組むために、国際協力には大きな可能性がある。国際協力の実施者としての非営利セクター(NPO)は、金銭的利益を追求せず、具体的な課題や特定の地域に対して活動を実施する特徴から、活動を通じてその影響力を拡大している。プロジェクトに対する評価には、活動の振り返り、影響の特定、教訓の導きなどが含まれ、プロジェクトの効率性と質の向上に重要な役割を果たしている。

本研究は、日本のNPOがどのように、そしてなぜ、自らのプロジェクトを評価しているか、また、社会的インパクト評価(SIE)の活用状況と活用可能性について調査した。アンケート及びインタビュー調査を通じて、限られた人的、時間的、財政的リソースの多くはプロジェクト実施に割かれ、評価活動の質を妨げていることが確認された。さらに、調査対象者の多くはプロジェクト評価に対する意欲と関心を示していたが、評価ツールや方法論に関する基礎的な知識が不足しており、知識習得の機会が限られていることが明らかになった。このような現状の中で、評価活動を発展させるために、本研究ではプロジェクト計画段階および評価活動の改善プロセスの両方で評価マネジメントの導入を提案した。この提案に対して実現可能性検証を実施することで、より効果的で導入が容易な提案内容に改善した。

キーワード：社会的インパクト評価、インパクト評価、プログラム評価、NGO/NPO、国際協力

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