

Guiding Framework on Logic Model for integrating Theory of Change in projects to be listed in Social Stock Exchange

Table of Contents

1. Background.....	2
2. Forward	2
3. Understanding Guiding Framework & how it works for different project stakeholders....	2
4. Logic Model: How it needs to be designed and used for Projects. Some dos and don'ts. ...	3
5. Designing the Projects (Social/ Environmental/ Cultural) under Logic Model	3
5.1 The flow of Project/ Program design under Logic Model.....	3
5.2 How the learning loop is built in Logic Model?.....	5
5.3 Setting Key Performance Indicators (KPIs) under Logic Model – Some core issues.....	6
5.4 Aligning Logic Model for Sustainability – Some of the cost provision issues.....	7
ANNEX-1 Logic model framework for the preparation and for monitoring & evaluation of Projects in Social Stock Exchange.....	8
ANNEX-2 Suggestive attributes of reach, depth & inclusion considerations to be used while designing Social/ Environmental/Cultural Projects in Social Stock Exchange.....	13

1. Background

Annexure II of SEBI Circular SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated 19.09.2022 provides 'Guidance Notes for all Social Enterprises (SEs) on AIR', wherein, under 'Strategic intent and planning' at point 4 it is stated as under:

'Point 4. What will be the outcomes of the solution/program? Coverage should include positive and potential unintended negative outcomes.'

Describe the Theory of change / logic model framework (defining input, output(s), outcome(s)) for the solution proposed. While identifying the targeted impact segment, both positive and potential unintended negative impacts need to be identified.

Point 4 in practical terms implies integration of **Theory of Change/Logic Model** in the actual planning, implementation, monitoring and evaluation of social, environmental and cultural **projects being listed in Social Stock Exchange**.

2. Forward

Given the above, the **Unified Framework for Social Impact Assessment Standards (UFSIAS)** recommends project specific monitoring and evaluation (M&E) framework to be prepared and adopted for social/environmental/cultural projects according to Theory of Change/Logic Model. **This Guiding Framework on how to use Theory of Change/ Logic Model** for preparing projects and setting a clear M&E framework has been placed in **Section-III(I) of UFSIAS**

3. Understanding Guiding Framework and how it works for different project stakeholders

This Guiding Framework is **essentially a bi-directional traceability matrix** that would enable the Project Management/Social Enterprise and the key stakeholders to understand forward and backward traceability of the project/program flow for meeting the stated objective (s).

The process of tracing resources through this Guiding Framework constructs a necessary link so that ultimately inputs can be identified / designed and traced back to the overall outcome (in the impact value chain) through activities, outputs and different levels of intermediate outcome metrics (1st level, 2nd level, 3rd Level etc...) across the timeline of the project. This Framework needs to be adopted while preparing the **Fund Raising Document (FRD) for Listing** in the Exchanges.

With the clarity that will be established through this Guiding Framework, every stakeholder involved in the impact value chain will benefit. This will help Social Enterprises to bring proficiency to prepare, implement and track the project progress in a logical manner, which in turn will help them to move forward with a clear outcome communication and reporting. Further, this framework will enable all other stakeholders (outcome funders, risk investors, third party evaluators along with intermediaries and regulators) to understand and comprehend key reporting requirements based on traceability. It will also provide guidance with regard to the nature of communication/discussions these Entities need to establish contextually with the Project Management. The clarity on the above issues at the time of pre-listing and listing of projects, will help reduce immensely the processing time and cost of the Social Enterprises and key stakeholders

during pre-listing and listing stage while ensuring the quality of the listed projects. Most importantly, this will ensure Social Impact Assessors to have a clear basis for project assessment across the project timeline that would adhere to Theory of Change/ logic Model.

4. Logic Model: How it needs to be designed and used for Projects. Some dos and don'ts

- i. Firstly, The flow of activities in a project designed based on the Logic Model emanates from impact and not from input. This mistake is seen in design of most of the projects. There is the danger of missing wood for the trees here if one designs the project starting with inputs. The Exchanges must ensure that the **Fund Raising Document (FRD) is clear on this.**
- ii. Secondly, Logic Model should not be used in a straitjacketed manner for achieving the target of the project and for evaluating a project through a very linear thinking process; but this should be used as **an enabling framework** to promote original thinking to understand the intricacies involved in the project processes while dealing with social, environmental and cultural challenges in an open, transparent and comprehensible manner for achieving a meaningful outcome leading to impact.
- iii. Thirdly, the candid planning and implementation instruments enabled by Logic Model need to be used pragmatically with reasonable flexibility for **needful revisions of project's/ program's pre-determined targets**, if warranted, during the project period, especially during the mid-term project evaluation to meaningfully achieve the desired outcome leading to impact.
- iv. Lastly, Logic Model needs to be creatively used as a vibrant framework to plan, implement, monitor and evaluate the project and most importantly, to set a healthy dialogue amongst primary stakeholders in **co-creating impact with the Social Enterprises.**

5. Designing the Projects (Social/ Environmental/ Cultural) under Logic Model

- i. This covers the flow of project/program design under Logic Model keeping in mind the attributes of reach, depth and inclusion considerations of outcome leading to impact within the overall project objectives at **point 5.1**; how learning loop operates in Logic Model at **point 5.2**; the principles for designing of Key Performance Indicators (KPIs) under Logic Model at **point 5.3**; and assigning true costs for inputs under Logic Model for project sustainability at **point 5.4** .

This is followed by Logic Model Framework for the preparation and for monitoring and evaluation of projects to be listed in Social Stock Exchange (SSE) in **ANNEX-1 (Ref: page 7-11 below)**. Along with this, the suggestive attributes of reach, depth and inclusion considerations to be used for Social/ Environmental/Cultural Projects in SSE in **ANNEX-2 (Ref: page 12-14 below)**

5.1 The flow of Project/ Program design under Logic Model

Based on the vision of the project/ program, the **impact statement** is drawn. To achieve this impact statement, the mission statement is drawn as the **overall objective** of the project. This is expected to get fulfilled as the **overall outcome** in the project . The Logic Model flow is explained as under:

- i. **Impact:** Impact are long term intended and unintended consequences of all the inputs and activities. Impact is seen over many years after the completion of project or immediately after the completion on project/program. This depends upon the **gestation period of the project/program to create an impact**. Hence, the overall outcome of a Project, which normally is expected towards/at the end of a project, should not be misconstrued as the impact of the project as often observed as perceived. Project need to have a clear **withdrawal protocol for making exit envisioned at the planning stage** on what needs to be done **for sustainability of the project initiative**. This will help convert project outcome into impact.
- ii. **Outcome:** Outcomes are one step beyond achieving the targeted outputs and measures various intended/unintended consequences of the program or project. Outcomes can be achieved at different levels across the timeline of the project. These **intermediate outcomes** are - 1st level/ 2nd level/ 3rd level. All these **outcome levels** will feed to the **overall outcome**. The components and sub- components of the project and the related activities under each component and sub-component and their **key performance indicators (KPIs)** need to distinctively designed to address each of the intermediate outcomes for traceability and accountability.
- iii. **Output:** Outputs are the first level direct products from the project activities. The output can come from a single activity or combination of activities.
- iv. **Activities:** Actions or logical sequence of actions intended to achieve desired results. This is the stage where implementation correction needs to be done, if required.
- v. **Input:** Inputs are the resources invested / deployed for achieving any intended action. Resources can be categorised into two parts: **Financial and Non-Financial**. Financial resources are those resources which directly or indirectly involve money but Non-financial resources involve all resources other than money i.e. human, community, organisational, intellectual etc. Besides this, inputs can come through **convergence from the external agencies** and from the beneficiary **stakeholders as contributions in many forms**. Project Management need to look out for such convergence and have meaningful dialog with the beneficiary stakeholders for such contributions. Such stakes go a long way for **sustainability of the project**. The provision of identifying such this has been kept in **Sl.no. 8** of the table on **Guiding Framework**.
- vi. One important part of **input** is **Pre-project implementation** to be considered in the 0 year of the listed project. Logic model demands a **time gap** to be kept invariably **between project listing and initiation of implementation** to enable Project Management/SE to prepare for grounding of the listed project. This period is counted as **0 year of the project**. This is the time when **pre-activities for grounding** the project such as - actual beneficiary population/entity selection; baseline survey, beneficiary consultation, situation analysis & understanding the context, mapping the stakeholder for engagement; setting project logistics, infrastructure and manpower planning etc will be done. This is the time to fine tune **project design** and prepare a proper **Solution implementation plan (SIP)**. The provision of 0 year preparation works and the cost implications of 0 year needs **to be kept in the Fund Raising Document (FRD)**.

5.2 How the learning loop is built in Logic Model?

Following diagram shows how the **feedback loop works** under Logic Model:*



**Ref: 'Social Impact Measurement and Investment' by Bibhu Mishra, Transcience (2018) Vol. 9, Issue 1. Modified (2024).*

In addition to gathering knowledge on project performance from the records, the major source of candid feedback come from the project stakeholders. The organisation need to include in the **Solution implementation plan (SIP)** the list of **stakeholders to be engaged in the feedback loop** with a clear statement on how organization will use these feedback. Most importantly, interacting, consulting and getting a **first-hand feedback** from the project beneficiaries and the primary stakeholders while designing the interventions at the **planning stage is most essential** to develop their right stake in the project for sustainability. Social Impact Assessors will review such consultations done by SE during annual assessments.

5.3 Setting Key Performance Indicators (KPIs) under Logic Model – Some core issues

- i. It is to be kept in mind that the performance trend on impact, overall outcome, intermediate outcomes and outputs shall be assessed through the analysis and trend of interactive data retrieved from KPI metrics established by the Social Enterprise in the Solution implementation plan keeping in mind the parameters drawn from relevant attributes of **reach, depth and inclusion** considerations in social/ environmental/cultural project in objectively verifiable terms. The suggestive attributes worked out for **reach, depth and inclusion** for **social, environmental and cultural projects** is included in **ANNEX -2 (page 9-11 continued below)**.
- ii. It needs to be clarified here that, of all the performance indicators and KPIs set in the project design, **only few pertinent KPIs** will be used by the outcome funders, risk investors and exchange for third party assessment (**external KPIs**). Other KPIs will have to be designed and used for internal monitoring and control of the project by the Project Management/SEs. This will be termed as **Internal KPIs**. Internal KPIs support/feed to the authentication of external KPIs. The relevance and usage of internal KPIs and external KPIs needs to be discussed; and the two types of KPIs need to be clearly delineated by the key project stakeholders (Funders, Risk investors and Exchanges) with the Project Management/SEs at the **listing stage**. All the **KPIs** need to be **objectively verifiable**. The **Fund Raising Document (FRD)** need to mention clearly the **means of verification of the KPIs** for the listed project.
- iii. It will be important to weigh the **positive and potential unintended negative impact** of the project during the pre-listing stage and take decision either to **screen out or take measures** to design the project intervention to negate/minimize the unintended **negative impact** as much as possible. It needs to be kept in mind that all the projects need to be **environment compliant**. The possibilities of **potential unintended negative impact** need to be worked out in the **FRD** and plan to negate/minimize such negative impacts needs to be spelled out in the **SIP**. The implementation of this will be reviewed during annual social impact assessment and will get revised through a consultative process. The framework for doing such reviews across the time of the project is given at **Sl. no. 7** of the table on **Guiding Framework** given at **ANNEX-1** below.
- iv. It will be important to have an open discussion during the **listing stage** between Social Enterprises, Funders, Risk investors and Exchange about the **assumptions/limitations/risks**, if any, which are not in the control of Social Enterprise but may negatively affect the outcome and impact of the project. Such assumptions/limitations/risks need to be clearly stated at the listing stage and revised periodically through a consultative process during the annual social impact assessments. The framework for doing such reviews across the time of the project is given at **Sl.no.6** of the table on **Guiding Framework** given at **ANNEX-1** below.
- v. All the **Key Performance Indicators (KPI)** have to be **objectively verifiable**. It is equally

important to work out the **measurable and non-measurable means of verification of KPIs** by the Funders, Risk investors and Exchange with the Project Management/Social Enterprises at the **Listing stage** and integrate the same in **FRD and SIP**. The provision for this has been kept in the **Sl. no. 4** and **Sl. no. 5** of the table on **Guiding Framework** given at **ANNEX-1 (Ref: page 7-8 below)**.

5.4 Aligning Logic Model for Sustainability – Some of the cost provision issues

Apart from being clear on the overall outcome and impact timeline and committing to what Social Enterprise can deliver within the project timeline, it is important for the Social Enterprises and the stakeholders (Funders, Risk investors and Exchange) to be clear on the activities that facilitate sustainability of the project from the inception stage. In this context, the costs for following activities are instrumental for sustainability of the project:

- i. **Listing Cost having bearing on Project Fund**– It is important for the Social Enterprises (SE) and the stakeholders to understand the cost break up for Registration and Listing of projects in SSE. What part of listing cost is to be borne by SE and what part by the Funder/ Investor needs to be clearly known. This will bring about the much-needed transparency and will ease out Registration and Listing transactions.
- ii. **Pre-project implementation** – This would provide conducting activities mentioned at **point 5.1** in the 0 year of the project. This would lay a robust foundation for the project for effective implementation.
- iii. **Knowledge Management Fund to be provisioned in Monitoring & Evaluation (M&E) Fund**– Social sector contribution is all about cross learning and building on each other's strength to create a larger impact. For this, the cross-learning of the knowledge and experience of Social Impact Assessments among the stakeholders of the project will greatly help create a sharper focus and narrative about the Sector works. For this, along with M&E cost, the provision of fund for sharing and discussing the M&E experiences and building capacity of the project for this should be kept.
- iv. **Exit/ Takeover exercise fund**: Based on withdrawal protocol (**Ref: point 5.1(i)**) adopted by the project to make exit, the project period after mid-term towards the end-term entails doing meaningful planning exercise in concrete terms with the stakeholders/beneficiary community and individuals for the use of assets, capacities, partnerships, networks, and influence built during the project with the aim to sustain the project initiative for creating an impact. This entails doing meaningful planning exercise with the concerned stakeholders towards the end of the project for institutionalizing processes and systems in the form of a concrete Exit/Takeover Plan that will formalise all the co-commitment instruments to work further to give desired impact beyond the timeline of the project. Fund needs to be provisioned in the project to conduct this exercise from mid-term to end term.

ANNEX-1

Logic Model framework for the preparation and for monitoring & evaluation of Projects in Social Stock Exchange

1. Name of Social Enterprise
2. Project Title:
3. Key challenge identified in brief:
4. Project timeline in years: _
5. Expected mid-term evaluation: _month___year
6. Expected end-term evaluation: _month____year

(NOTE: Consider project pre-implementation stage starts in 0 year. The design has to start from impact and not from inputs).

-----.....-----<-End term<----- Mid-term-----<-----Project start<---Planning							
Sl No	Goal /Impact	Objective /Overall outcome	Intermediate outcomes that leads to Overall outcome	Outputs for each intermediate outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7
1	Long term impact	Outcome that is expected at the end of the project	Outcome 1 (To be continued for Outcome 2,3,4...)	Output 1 (To be continued for Output 2,3,4... under each Outcome mentioned at Col.3)	Activity 1	Input 1 Input 2 Input 3	Activities such as... 1. Targeting through participatory approach 2. Orientation of staff 3. Baseline study ...can be taken
2					Activity 2	Input 1 Input 2 Input 3	
3					Activity 3	Input 1 Input 2	

SI N o	Goal /Impact	Objective /Overall outcome	Intermedi ate outcomes that leads to Overall outcome	Outputs for each intermediar y outcome	Activitie s for each outputs	Inputs for each activities	Pre project impleme ntation
	1	2	3	4	5	6	7
	The Beneficiary Community /entity start implementing the exit plan with their own commitment for sustaining the outcome of the project.	Prepare a concrete exit /takeover plan with the commitment of the beneficiary community/entity on how the convergence & contribution mobilised in terms of assets, capacities, partnerships, networks, and influence built by them during the project can be used further to attain project impact and sustainability	Start doing exercises with the Beneficiary Community /entity on how the convergence & contribution mobilised from the project and different stakeholders in terms of assets, capacities, partnerships, networks, and influence built by them during the project period can be used or mobilised further to attain project impact and sustainability.	Review on the work done on convergence and contribution from beneficiary community/entity in the previous year. Calculate the convergence & contribution mobilised in money value terms with a sound basis for calculation, wherever possible. This helps create a narrative and build traction for further support.	Review the work done on convergence and contributions from beneficiary community /entity in the previous year. Calculate the convergence & contribution mobilised in money value terms with a sound basis for calculation, wherever possible. This helps create a narrative and build traction for further support.	Act on the convergence identified at the planning stage and act on the mobilisation of community contribution identified at the planning stage at Col. 7 . The contribution by the beneficiary community /entity has to be a voluntary/ social act. This require mutual understanding between the facilitating SE and the contribution giver.	Discussion with the outside stakeholders on scope for convergence and detailed discussion with the beneficiary community /entity for bottom up ownership of the project.

Suggestive attributes of reach, depth and inclusion considerations to be used while designing Social/Environmental/Cultural Projects in Social Stock Exchange

The following are suggestive attributes worked out for **reach, depth and inclusion considerations** to be kept in mind by Social Enterprises while designing the Project. Once such attributes are included in the Project design, the key performance indicators (KPIs) on outputs and outcomes of the Project need to measure the fulfilment of these attributes. Apart from these suggestive attributes, Social Enterprises can consider any other attributes that are contextually relevant for considering the impact of the Project under these three considerations in consultation with the Funding Agency/ Exchange.

1. Social Project

The Social Enterprise may need to consider for itself how its approach in the given **social project** intends to improve **one or more of the** following attributes explained under each of the **Reach, Depth and Inclusion** considerations:

a) Reach

- i. Proportion of target segment(s) reached in the reporting period.
- ii. Geographical coverage
- iii. Cumulative no. of beneficiaries reached (members of the target segment served since inception)
- iv. Other suitable metrics in relation to the solution, usually relate to people, institutions or activities (Ex: monthly active users of MAUs for an app/tech platform)

b) Depth

- i. Increase in knowledge or skills among beneficiaries
- ii. Behavior changes among beneficiaries
- iii. Change in attitude, beliefs or perception of beneficiaries
- iv. Change in the quality of life

c) Inclusion

- i. Net increase in Income levels among target segment(s) in project outcome and impact.
- ii. Prioritizing the inclusion of disadvantaged groups or communities (either as owners, partners, or customers) in the project design and empower them in their relationship with the SE over time.
- iii. How the disadvantaged group or community can experience increased social equity.

2. Environmental Project

The Social Enterprise may need to consider for itself how its approach in the given

Environmental Project intends to improve **one or more of the** following attributes explained under each of the Reach, Depth and Inclusion considerations:

a) Reach

- i. Reaching targeted natural ecosystem and/or pollution threat and/or climate change threat and/or sustainable lifestyle and/or forest & wildlife.
- ii. Reaching the aimed geographical area or segment population or ecosystem/environmental/ Forest/wildlife entities on targeted components.
- iii. its application to a wide range of situations/circumstances.

b) Depth

- i. Improvement in targeted components and sub components under sub-thematic area such as natural ecosystem and/or pollution and/or climate change and/or sustainable lifestyle and/or forest & wildlife.
- ii. Behavioral changes (including sense of Improved custodianship of natural and/or environmental resources and/ or sustainable lifestyle and/or increased climate change resilience and/pollution control among the stakeholder population/entities.

c) Inclusion

- i. Mutuality: contribution to one element does not have a significant negative impact on the other
- ii. Access: Net decrease in overall negative environmental parameter levels and improved natural/environmental resources are accessed equally by the relevant stakeholders.
- iii. Participation: ensure effective participation of all relevant stakeholders on decisions relating to natural/ environmental resources and their use.
- iv. Equity: Ensure that adequate attention is given where required to ensure equity to the environmentally threatened/marginalized and vulnerable segments/ population in terms of the outcomes.

3. Cultural Project

The Social Enterprise may need to consider for itself how its approach in the given **Cultural Project** intends to improve **one or more of** the following attributes explained under each of the Reach, Depth and Inclusion considerations:

a) Reach

- i. Effective geographical coverage of preservation/ promotion of tangible cultural heritage

- i. Well-conceived inventory of preservation/ documentation of Intangible cultural heritage/ oral traditions
- ii. Reaching targeted people/ stakeholder entities in promoting art, culture and heritage (*this also includes education related to art, culture and heritage in various education and community institutions*)
- iii. Capacity building and support to artists/ artisans/cultural professionals for sustainable living
- iv. Increase in awareness and stake of stakeholder population to save targeted art, culture and heritage after mapping their stakes.

b) Depth

- i. Improving commitment towards promotion, protection and preservation of cultural heritage
- ii. Enhancing talent and competence in promoting art, culture and heritage
- iii. Network and collaborate for new capacity building avenues/ job creation in all sectors due to art, culture and heritage conservation
- iv. Promotion/support marketing of cultural goods and creative industry
- v. Safeguarding living heritage

c) Inclusion

- i. Increase in job creation for disadvantaged and for difficult geographies in the field of art and cultural heritage.
- ii. Enhancement of talent and competence of culturally marginalized. Culturally endangered and/or minorities and their inclusion in the management of art, culture and heritage through improved access to opportunity, networks, resources, and/or support mechanisms.
- iii. Increase in cross-culture engagement.
