



THE UNIVERSITY *of* EDINBURGH

Valuing Scotland's links with Malawi:

Inputs from Scotland Malawi Partnership Members

Summary

A valuation was performed of the civil society inputs to Scotland's links with Malawi made by the members of the Scotland Malawi Partnership (SMP) using a methodology based on the established framework of 'Social Return on Investment'. In this study the inputs to Scotland-Malawi activities were valued through a survey of SMP members made in October 2010, where members (i.e., individuals, schools and organisations) were asked to place a value on their activities over the previous twelve months, including formal budget, in-kind donations and volunteer time. Members were also asked to estimate the number of persons who benefitted from their activities in Malawi and Scotland and also the number of persons actively involved in their work. The results of the survey and the knowledge of the SMP was then used to establish an aggregate value of these activities and the numbers of people involved. The analysis shows that the value of inputs made by members of the SMP to Scotland's links with Malawi is at least £30 million over the previous twelve-month period. Additionally, the responses from members indicate that at least 1.3 million Malawians and 280,000 Scots have benefitted from these activities over the same period. Approximately 148,000 Malawians and 85,000 Scots were actively involved in delivering the activities.

Background

The SMP came out of Strathclyde University's 'Malawi Millennium Project' in early 2004, in response to the belief that there was a need to bring together under a single umbrella the many organisations and individuals throughout Scotland engaged in fostering and developing links between Scotland and Malawi. With the support of the Lord Provosts of Glasgow and Edinburgh, the Scotland Malawi Partnership was officially launched in April 2004. The SMP acts as an umbrella organisation that exists to inspire the people and organisations of Scotland to be involved with Malawi in an informed, coordinated and effective way so that both nations benefit. It fosters mutually beneficial links between Scotland and Malawi and encourages the development of sustainable projects in Malawi. It works closely with (and is funded by) the Scottish Government, and facilitates the Cross Party Group on Malawi in the Scottish Parliament.

In October of 2010, the SMP had over 450 members. This membership comprised roughly equal numbers of school partnerships, full members (organisations) and associate members (individuals).

Project Rationale

As an umbrella organisation representing Scotland-Malawi links, perhaps the core challenges for the Scotland Malawi Partnership (SMP) are: how to articulate the scale, breadth and diversity of all the many and varied civil society links between Scotland and Malawi; how to communicate the overall impact of all these different links and partnerships; and how to demonstrate the incredible *value* of this unique national effort. In order to address these challenges, the SMP commissioned the University of Edinburgh to undertake a valuation of Scotland-Malawi activity in terms of the relative total financial value of civil society inputs to Scotland's links with Malawi, using a methodology based on the established concept of 'Social Return on Investment'. The study was performed by Dr Lawrence Dritsas of the University of Edinburgh's School of Social and Political Science and Global Development Academy (the author of this report).

The Social Return on Investment Framework

In response to the challenge of placing a financial value on all the activities of 'third sector' organisations (i.e., charities, volunteer organisations and social enterprises), the Social Return on Investment (SROI) framework was developed in part by the Roberts Enterprise Development Fund.¹ It has now become a common tool in the UK for helping third sector organisations describe how they are creating change through their activities. The SROI framework enables organisations to place a value on all the inputs that their activities require and also the social, environmental and economic benefits resulting from their activities. With these valuations they are then able to tell a story that demonstrates the 'return' made on investments (public or private) to them. It is important to stress that the narratives produced by a SROI analysis provide an expression of value, not money: 'Money is simply a common unit and as such is a useful and widely accepted way of conveying value'.²

Methodology

A full SROI report will usually include a discussion of both inputs to an organisation's activities and the outputs or impacts made by the organisation. It will also attempt to tell a 'story' or 'theory' of change about how the organisation makes a difference in the world. The present study is not a complete SROI analysis in this regard for two reasons. First, in this study we are only identifying and valuing the inputs,

¹ Lawlor, E. et al. (2008) *Measuring Value: a guide to Social Return on Investment (SROI)*, 2nd edition, New Economics Foundation, London.

² Nicholls, J. et al. (2009) *A Guide to Social Return on Investment*. Cabinet Office, London. (available from the SROI Network <http://www.sroi-uk.org/>)

or investments, required to make the activities of the member organisations possible. Second, this study assesses the activities of the SMP's members, *not* the SMP itself. Therefore, the results represent an aggregation of, and extrapolation from, the responses of the members about the value of the inputs required for their activities to occur. The SMP, as the umbrella organisation, was in the unique position to query its membership and provide further information about their activities. Despite these limitations (partly self-imposed), the identification and valuation of inputs is the crucial first step of any SROI analysis. As an analysis of inputs, this study was conducted according to the principles of SROI: involving stakeholders, understanding what changes, valuing things that matter, only including what is material, not over-claiming, being transparent and verifying the result.³

Data Organisation

The study proceeded with a review of the membership database and then organising it into the three main categories: school partnerships, full members (organisations) and associate members (individuals). Each category was then further divided into working subcategories based upon the type of work an organisation or individual was involved in and its size in terms of budget and number of projects. The subcategories were not used for strict analytical purposes, but rather were used to ensure that responses to the survey would cover a reasonable cross-section of the membership and to ensure that when responses were compared and later extrapolated from, similar organisations were being compared:

- Schools partnerships were divided according to primary or secondary,
- Full members were divided as: education, health, social and economic development, political or governmental, religious, agriculture, cultural and children,
- Associate members were divided as: agriculture, business, children, communities, education, fundraising, governance, health religion and general. It was also noted where associates were obviously linked to an organisation and where they were not,
- The decision was made to exclude any member organisation with commercial or tourism links.

Defining Inputs

In any SROI analysis many assumptions have to be made about the value of non-monetised items that are material to the delivery of an organisation's activity. Items such as volunteer time and travel, in-kind donations of meeting spaces or donations of physical goods must be given a value to be included in the

³ Nicholls, J. et al. (2009): 96 – 98.

analysis. It was also considered important to query how many persons benefited from or were involved in the activities; this information would help to contextualise the valuation of inputs. With the databases organised, a standard set of inputs to be measured was developed so that members could easily provide a quick response. These were:

1. The value of all the inputs required for an organisation's activities to occur inclusive of monetised and non-monetised inputs, including:
 - Any formal costs or budgets (e.g. donations, grant income, subscriptions, entrance fees to events, personal expenses, etc.)
 - The total value of all in-kind donations (e.g. hall space, transport, food, material goods, etc.)
 - An estimate of the total value of volunteer time.
2. The number of beneficiaries of a organisations work, both in Malawi and in Scotland (note: it is standard in SROI procedures to not value the time spent by beneficiaries during their involvement with an activity)
3. The number of persons actively involved in running the project, both in Malawi and in Scotland (note: the value of time contributed by those 'actively involved' was incorporated in the first questions, but it was felt that knowing the number of persons involved would be informative.)

The Survey

With the inputs defined, the survey questions were written and guidance provided to help the membership to respond. The questions were slightly modified for each of the three main categories of members. All members were sent the survey by email and asked to respond within a week. Members were instructed, 'Precise figures are not required, rather we ask you to think laterally about all the in-kind support which underpins your work with Malawi'. They were also assured that, 'Neither you nor your organisation will be individually named in the final report and organisational-level data will not be made available to the public' (note: due to this guarantee of confidentiality no such data is included in this report)

The members were instructed to only consider and include the last twelve months of activity in their responses.

Space was provided on the form for members to comment upon or contextualise their responses.

Analysis

All responses were collected and recorded on a spreadsheet. Then a process of extrapolation was made, in which the responses were combined with the SMP's extensive knowledge of its membership to develop a reasonable average value for each of the input types, within each working subcategory. The guiding principle of this exercise was to be conservative in all estimates and refer back to the responses received for guidance. Likewise, care was taken to avoid and exclude any cases of double-counting.

Results

In total 32 responses were received and in only two cases did the respondent indicate that they were unable to estimate due to the scale of their organisation. In three others responses, only partial data was provided. Otherwise, all respondents gave complete and thoughtful responses. From this data the following results are reported:

- **The value of inputs of money, time and in-kind donations made by the membership of the SMP to Scotland's links with Malawi is at least £30 million over the twelve months previous to October 2010.**
- **At least 1.3 million Malawians and 280,000 Scots have benefitted from these activities over the same period.**
- **Approximately 148,000 Malawians and 85,000 Scots were actively involved in delivering these activities**

Sample Responses

Three anonymous samples to demonstrate the quality of the responses:

- An associate member reports a value of £9,000 for their activities over the previous twelve months. The member has included volunteer time, expenses and travel costs in this amount. The work of this member benefits 20 Malawians and 50 Scots with the active involvement of 4 Malawians and 2 Scots. In calculating these values the member reported: 'Personal benefit has been given to people/groups in Malawi; the Scottish element has been talking to people, speaking engagements... On a personal level, the direct involvement has been small - at home, I would include my wife; otherwise main involvement comes through the organisations I am involved with.'
- A community-based organisation reports a value of £30,000 for past twelve months. This includes 'donations; grants; fundraising events; travel expenses; accommodation costs and

volunteer time'. Three thousand Malawians and 2,500 Scots benefitted from the active involvement of 35 Malawians and 50 Scots. When considering the number of beneficiaries the group reported: ' We have a regular monthly "slot" in a community newspaper which goes to 4,500 homes (about 12,000 people) but we have no means of knowing whether people read it or not – consequently, that number has NOT been included in the Scottish numbers above.'

- A secondary school reports a value of £25,000 for their activities over the last twelve months with, 'Our major expenditure is on fares for student exchange'. Their partnership activities benefit over 600 students at the school in Malawi, 'plus the school community and local village adjoining the campus'. Similarly the 1000 students at the school in Scotland benefit along with the wider community. The school estimated 200 persons were actively involved in running the partnership, split evenly between Malawi and Scotland but admitted that this may be an underestimate because it was, 'Difficult to estimate as parents, school PA and staff and students outwith the curricular areas also get involved'.

Discussion

As the sample responses show, careful thought was put into the estimates made by the members. This provided confidence in the analysis stage as the responses were used to extrapolate to the wider membership. Members themselves were cautious to avoid over-reporting and double-counting.

Responses from similar subcategories were used as the basis for establishing a 'typical' response for a member in those subcategories. This typical response was then adjusted according to the SMP's detailed knowledge of the members who did not respond and by using each member's own description of their activities (a part of each member's profile). In most cases the typical values were adjusted downwards given the principle of being conservative in all estimates and assumptions. Once a typical response was agreed upon by the project team, the values were applied across the similar subcategories and contributed to the overall result. The same procedure was conducted for all five data points requested.

There were some problems with the larger organisations that were unable to estimate the value of their Malawi-linked activities as the representative did not have enough data. Here, extremely conservative estimates were made through comparison with organisations of a similar size and reflecting on the costs of such activities as it was known the organisation was undertaking.

Overall, in reflecting on the data and method it must be stressed that the general feeling of the project team is that our estimates are conservative and that a more detailed valuation of these inputs would certainly result in higher figures being reported.

Conclusion

This is the first study ever done that attempts to provide a valuation of the civil-society links between Scotland and Malawi – and here limited only to the inputs to those links. An SROI analysis, even of just the inputs to an organisation's activities, can be very detailed. This study, due to a number of factors, did not take the detailed approach. The methods used here called for the SMP members to provide brief estimates of their inputs. These estimates were received and analysed as such, and then used to provide an informed 'first look' at the scale of the civil society links between the SMP members in Scotland and Malawi. The value used to express that scale, £30 million, should serve to emphasise that there is a very great deal of money, material, time and goodwill invested in the links between Scotland and Malawi. It is an impressive figure and, in conjunction with our findings that over one million Malawians and thousands of Scots are involved in or benefiting from these activities, easily demonstrates that the links between Scotland and Malawi are extremely valuable to both countries.



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