ISDM | **Centre for Innovative Finance and Social Impact**

Impact or Illusion
Report Launch

Roundtable Summary
Complexity of Capturing Social Change through Indicators

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Context

The roundtable discussion explored the complexities of impact measurement in the social sector, addressing whether the impact is real or merely an illusion. Participants from diverse backgrounds—practitioners, funders, evaluators, and Non-profit Organisation (NPO) leaders—shared insights on defining and measuring impact, challenges in attribution, and the evolving role of data and technology.

Moderators

Sudhir Sahni, Pradan
Manije Kelkar, Goalkeep

Participants:
Disha Bhattacharjee (Pratham Education Foundation)
Snigdha Sony (Pratham Education Foundation)
Prasanta Kumar Pradhan (WaterAid India)
Dada Sargar (Aster DM Healthcare Ltd)
Divya Jain (Resonance Global)
Kritika Chadha (NalandaWay Foundation)
Seeba Bhojani (NalandaWay Foundation)
Leena (Udayan Care)
Jitesh Dhoot (Udayan Care)
Dr Kiran Modi (Udayan Care)
Mahima Taneja (Gates Foundation)
Sharon Weir (The 4th wheel)
Sulagna (The 4th wheel)
Divyansh Agarwal (Accenture)
Pavitra (Accenture)
Diksha Satyawali (Bharat Rural Livelihoods Foundation)
Rakesh Singh (Bahishyakriti Samaajik Sewa Sanstha)
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Key Themes & Insights

1. Is Impact an Illusion, or is it Just the Measurement that's Challenging?

Impact is Real, but Measuring it is Complex

The impact is clearly visible in real-world changes; however, the methodologies used to measure it often require refinement. While direct attributions are typically captured, indirect or systemic consequences tend to be overlooked. The illusion of impact often emerges when measurement lacks a clear alignment with program goals. This can be addressed through sustained stakeholder engagement, structured long-term tracking, and the integration of technology in data collection processes. Two significant challenges persist in the field: first, the complexity of isolating attribution in dynamic, real-world settings, and second, the inadequacy of short timeframes—often just one to two years—for capturing deep social change, which inherently demands long-term observation and analysis.

> "Illusion happens when you don't know what you are looking for and then aligning measurement with that. Dialogues and aligning with stakeholders on goals can help us here to avoid this illusion. If we are clear with inputs,outputs, etc, you will not have this illusion"
>
> – Disha Bhattacharjee, Pratham Education Foundation

2. How Do Different Stakeholders (Funders, NPOs, Evaluators) Define & Measure Impact?

Divergent Definitions of Impact Among Stakeholders- Implementers & Funders

There is often a disconnect in how the impact is perceived by different stakeholders—implementers, donors, and academics—leading to misalignment in expectations and measurement approaches. A key concern is that under the pressure of Corporate Social Responsibility (CSR) funding frameworks, impact is frequently reduced to short-term numerical targets, overshadowing the pursuit of meaningful, long-term

> "We need unified voices in thematic domains. We should get different organisations in a domain together to define what we want to do for example in health or nutrition, what do we measure etc. and then collectively go to the donors with this understanding. Inputs/tools may be different, contexts may be different but who can I collaborate with or learn from to have unified voice."
>
> – Sharon Weir, The 4th wheel

change. To address this, there is a growing call to shift the power dynamics in impact discourse by centring NPO-defined goals rather than donor-driven metrics. Building unified voices across sectors, such as health, nutrition, and education, can strengthen collective bargaining and enable more equitable and context-sensitive impact frameworks.

3. Is Data a Solution or a Burden? How Can We Make It More Useful?

Challenges in Data-Driven Decision-Making

While data has the potential to be a powerful enabler for social impact, many NPOs struggle with its complexity. Collecting "good to have" data rather than "must have" data has caused data fatigue. Simplifying data collection and usage can not only improve internal decision-making but also enhance program scalability and attract sustained funding. However, the sector is increasingly experiencing data fatigue, with organisations collecting large volumes of information without a clear understanding of its purpose or application. This is further compounded by the fact that funders often invest limited time in analysing reports, inadvertently encouraging a focus on superficial metrics like reach, rather than on meaningful, outcome-oriented insights. To address this, it is essential that data collection processes are closely aligned with on-the-ground implementation needs, rather than being driven solely by donor requirements.

4. Do Funders Also Need Capacity Building?

The Need for Capacity Building—For Both NPOs & Funders

A comprehensive approach to impact measurement must also address the capacity-building needs of funders, who often shape the frameworks and expectations that guide NPOs reporting. Many current funding models are heavily output-oriented, which limits the ability to capture long-term,

"...when we, funders don't define impact indicators, but end up defining outputs—we build our grantees' capacities accordingly. As a result, they measure outputs, not impact."

– Diksha Satyawali, Bharat Rural Livelihoods Foundation

systemic change. Early-stage alignment on impact metrics between funders and implementing organisations is crucial to avoid misaligned expectations and ensure clarity of purpose throughout the project lifecycle. There is also a growing emphasis on fostering a culture of evaluative thinking—one that encourages stakeholders to reflect on both successes and failures as opportunities for learning and improvement, rather than focusing solely on positive outcomes. To

support this shift, there is a need for structured, yet flexible, methodologies that not only measure impact effectively but also translate findings into practical, actionable insights that can inform strategy, improve programs, and ultimately lead to more meaningful and sustainable change.

5. Can There Be a Unified Approach to Impact Measurement?

Collaborative Approaches to Strengthening Impact Measurement

Collaborative efforts across organisations and sectors are playing a critical role in strengthening impact measurement practices in the social sector. Working alongside multiple partners has enabled NPOs to refine their frameworks, drawing from diverse experiences and contextual nuances. Encouragingly, funders are increasingly open to learning from the on-ground realities and insights of NPOs, signalling a shift towards more participatory and responsive measurement approaches. There is also a growing recognition of the value of cross-learning platforms facilitated by donors, where NPOs can share challenges, tools, and best practices to build collective knowledge. To further support these efforts, there is a strong case for developing toolkits and standardised frameworks that grassroots organisations can easily adopt. Such resources would reduce the need for each organisation to start from scratch, allowing them to focus more on implementation and less on designing methodologies, ultimately fostering a more cohesive and efficient approach to impact measurement across the sector.

Jitesh Dhoot, Udayan Care shared a 5Ps framework for funder collaboration, with Dr. Kiran Modi, Udayan Care adding a 6th 'P'. The 6 Ps are:

Perspective – Set clear boundaries with funders; outcomes may differ from expectations.
Period – Impact timelines vary across sectors—education takes longer than health, for example.
Place – Context matters; what works in one region may not work in another.
Prioritise – Impact indicators can't be set in year one; they evolve over time.
Process – Build capacity not just for delivery, but for data-driven decisions.
People – Listen to on-ground teams—they offer critical reflections for improvement.

6. How Can Learning from Impact Data Be Used to Inform Strategy?

Learning from Impact Data & Strategy Adjustments

Impact evaluations play a crucial role not only in measuring outcomes but also in shaping more informed and effective decision-making across the social sector. They serve three essential purposes: ensuring accountability by tracking progress against defined milestones, enabling pilot testing of new intervention models before scaling, and guiding long-term strategic learning for funders and implementing organisations alike. When used effectively, impact data can lead to meaningful shifts in strategy, as illustrated in a case where a donor, after funding multiple livelihood models, analysed the outcomes and discovered that urban skilling programs yielded significantly better employment results compared to self-help groups. This evidence prompted a realignment of grant allocations toward more impactful interventions. Importantly, for such insights to emerge consistently, organisations must commit to documenting and sharig both their successes and failures. By doing so, they contribute to a learning ecosystem that continuously refines approaches, drives innovation, and enhances the overall effectiveness of social investments.

> "What has worked plus what has not worked- then feed into both sides of that story i.e. into the strategy of the program and also for funders' learning. Learning agenda should be a part of our programs."
> – Pavitra (Accenture)

Conclusion & Next Steps

Impact is not an illusion—those closely involved in implementation witness it unfolding in diverse and meaningful ways. However, the act of measuring impact has evolved into a science of its own, which can sometimes create a sense of illusion for other stakeholders. **Redefining how impact is understood and measured** in the social sector is essential to ensure that efforts lead to meaningful and lasting change. This requires s**trengthening the relationship between funders and NPOs** through early and transparent dialogue, enabling better alignment on goals, timelines, and indicators of success. At a broader level, sector-wide collaboration is key—developing shared measurement frameworks and collective negotiation strategies can help create consistency, reduce duplication, and empower NPOs to have a stronger voice in shaping how impact is defined. Additionally, there needs to be a **conscious shift away from collecting excessive volumes of data toward more strategic and impact-driven insights.** By prioritising data that informs decisions, demonstrates change, and guides adaptive learning, the sector can better allocate resources, improve accountability, and amplify the effectiveness of social interventions.