



SOCIAL RETURN ON INVESTMENT 2017

Where Rainbows Meet is a non-governmental organisation (NGO) in South Africa located in one of Cape Town's slum areas, Vrygrond, the so-called townships. The organisation was founded in 2008 with the purpose of helping the individuals living in the community to change their lives and develop the community. The organisation runs different programmes for children, youngsters and adults all focusing on alleviating the many social problems.

The SROI report describes and analyses the programmes of Where Rainbows Meet to show how the organisation helps the participants. Not all programmes are included in this analysis. The programmes that are included are Computer Training, Sewing and Beading Project, Business Training, Garden Project and Early Child Development. The other programmes are included in the section "Other value creation", where the value created in the programmes is discussed.

The outcome

The method used in this analysis is the Social Return on Investment (SROI), which frames a monetary valuation of social effects and voluntary work by comparing the investments made in the social efforts, defined as input, with the value created for the involved stakeholders, defined as outcome. The analysis is composed on data from the organisation in the financial year 2016/2017 and survey data on the participants in the period 2015/2016 and 2016/2017. At Where Rainbows Meet the investment is constituted by contributions from private contributors and volunteers' time-investment. The created effects are constituted by increased income for the participants in the programmes, improved life quality from getting employed, well-being effects of having a place to get advice locally and improved life quality for the volunteers.

The analysis finds that Where Rainbows Meet has a SROI ratio of 5.30 over a two-year period. This means that for every 1 South African rand invested in Where Rainbows Meet, 5.30 rand are created in value for its stakeholders and society.

The SROI ratio consists of both social and financial value. Almost all persons credit the full outcome due to the programmes at Where Rainbows Meet. Also, the analysis finds that it is difficult for the participants to experience outcomes without help from Where Rainbows Meet. Therefore, the programmes are very important for the value creation.

» Where Rainbows Meet creates 5.30 Rand in value for every 1 Rand that is invested in the organisation «

However, family, friends and other organisations do influence the participants' improvements and they are attributed for some of the value creation in the analysis.

The SROI analysis is conducted with a conservative approach, but there are some uncertainties in the calculations. This is analysed in sensitivity analyses of different parameters that are influenced by uncertainties due to assumptions or statistical uncertainty. In a worst-case scenario where all effects are reduced to 50 % of the original value, the SROI ratio would be reduced to 2.65. Thus, the SROI ratio will still be high and positive, which indicates that the value creation of Where Rainbows Meet is relatively strong to uncertainties.

Additional value creation

A large part of the intervention of Where Rainbows Meet cannot be valued monetarily. Participants in the analysed programmes, who did not graduate, are not included in the analysis, but they do still experience effects from the programmes. Children and youngsters are not included in the analysis, but they do also experience positive effects from the activities. The families of the participants and the community experience positive change, but this has not been possible to measure. A notice is that the SROI analysis cannot stand alone and that calculations do not necessarily reveal the full extent of the value creation of Where Rainbows Meet.

The full analysis of Where Rainbows Meet is composed by Lind Invest in the second half of 2017 and is documented in a SROI report, which is available online at: www.lind-invest.dk.

The report shows that Where Rainbows Meet is a large organisation with many activities that helps vulnerable people to develop skills, get employment, increase life quality to improve their lives and the community. Thus, Where Rainbows Meet create significant value for its stakeholders and society, and the organisation plays an important role for the citizens in the community.

