

National Stock Exchange of India

Circular

Department: Listing

Circular Ref No: NSE/CML/2024/22

Date: July 31, 2024

To,
The Social Enterprises- listed and registered on Social Stock Exchange ('SSE')

Subject: Reporting Forms for Social Enterprises listed and registered on SSE

SEBI vide its circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0059 dated May 27, 2024, titled 'Timelines for disclosures by Social Enterprises on Social Stock Exchange ("SSE") for FY 2023-24', had extended the timeline for the disclosure of the Annual Disclosures and Annual Impact Report by October 31, 2024.

The Social Stock Exchange Advisory Committee (SSEAC) in its meeting had proposed and approved the revisions in the formats for the filing of the Annual Disclosures and Annual Impact Report along with the guiding framework on logic model for integrating theory of change in projects to be listed in Social Stock Exchange, as per below:

- a) **Form 1A:** Annual Self-Disclosure Report (covering general and governance disclosure aspects that are not dependent on statutory financial audit).
- b) **Form 1B:** Annual Self-Disclosure Report (covering disclosures of general, governance and finance aspects that have a reference to audited financial statements) and Annual Social Impact Report by Social Enterprise (Report to be prepared Annually by Social Enterprises for significant Social Projects/programs not funded through Listing on SSE).
- c) **Form 2.1:** Annual Social Impact Report by Social Enterprise (Report to be prepared Annually by Social Enterprises for Social Projects/programs funded by security listed on SSE).
- d) Guiding Framework on Logic Model for integrating Theory of Change in projects to be listed in Social Stock Exchange

Enclosed are the formats of the aforesaid forms for the disclosure. The listed and registered Social Enterprises are hereby requested to take note of the revised formats and ensure that the aforesaid disclosures are submitted in the revised formats for the financial year ended March 31, 2024, onwards.

The entities are requested to take note of the aforementioned requirements and exercise abundant precaution while filing the disclosure/announcement on the aforesaid subjects.

Yours faithfully,

For National Stock Exchange of India Limited

Dhaval Shah
Senior Manager

Encl: As Above

Section III(I)

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

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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 projectspecific 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 the projects and setting the M&E framework has been placed in **Section-III(I) of UFSIAS**

3. Understanding the 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 traceabilityof 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 metrices (1st level, 2nd level, 3rd Level etc...) across the timeline of the project. This Framework needs to be adhered to while preparing the project 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, implementand 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. This would also 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 which the initial vetting of the project must address.
- ii. Secondly, Logic Model should not be used in a straight jacketed manner for achieving the target of the project and for evaluating a project in a straight jacketed manner but this should be used as an enabling framework to understand the intricacies involved in the project process dealing with social, environmental and cultural challenges in an open, transparent and comprehensible manner for achieving a meaningful 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 predetermined targets, if warranted, during the project period, especially during the mid-term project evaluation to meaningfully achieve the desired 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 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 preparation and evaluation of projects in Social Stock Exchange (SSE) in **ANNEX-1 (Ref: page 7-11 below)** and 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:

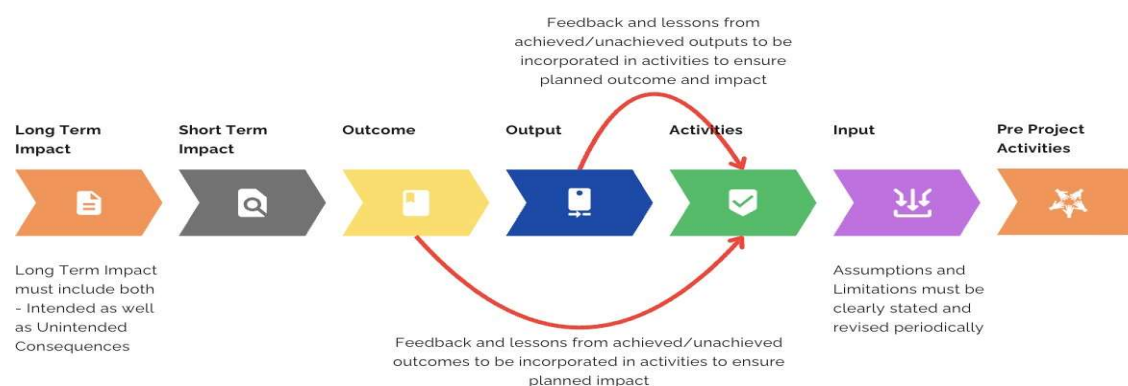
- i. **Impact:** Impact are long term intended and unintended consequences of all the inputs and activities. Impact is seen over many years after the completion of project or immediately after the completion on project/program. This depends upon the **gestation period of the project/program to create 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 programme 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.
- 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 community as contributions in many forms. Project 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**.

An 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 projects 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. The duration of 0 year and the cost implications of 0 year needs to be documented, discussed and included in the project design at **pre-listing and listing stage**. This is also the time to fine tune **project design** and prepare a proper **Solution implementation plan (SIP)**.

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 organisation will use these feedback. Most importantly, interacting, consulting and getting a first-hand feedback from the project beneficiaries and other primary stakeholders while designing the interventions at the planning stage is most essential to develop their right stake in the project for sustainability.

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 with the Project Management/SEs at the **listing stage**. All the KPIs need to be objectively verifiable and means of verification also needs to be worked out at the **project design stage**.
- 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/minimise 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 provision of identifying and reviewing such **potential unintended negative impact** across the timeline of the project through a consultative process during assessments have been kept in **Sl.no. 7** of the table on **Guiding Framework**.
- 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 social impact assessments. The provision of regular review of such assumptions/ limitations/ risks across the time of the project have been kept in **Sl.no.6** of the table on **Guiding Framework** given at **ANNEX-1**.

- iii. 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 while preparing the Solution Implementation Plan. 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 space is all about cross learning and building on each other's strength. Hence, the fund on M&E need to have a clear mandate of learning among the stakeholders of the project. For this, along with M&E cost, the provision of the cost for sharing and discussing the knowledge and experience gained on project impact assessment should be kept. This will help the social enterprises to develop the capacity to cross learn and co-build a strong bottom-up narrative on sector level change, if needed, in social impact assessment.
- 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 formalize 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).

<div> <div>-----<-----End term<-----Mid-term-----<-----Project start<-----</div> <div>--Planning</div> </div>							
SI No	Goal /Impact	Objective/ Overall outcome	Intermediate outcomes that leads to Overall outcome	Outputs for each intermediary 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	

6. Review to be done by SE on Assumptions/ limitations/ Risks across the timeline of the project

-----<-End term<-----Mid-term-----<-----Project start <-
--Planning

SI No	Goal /Impact	Objective/ Overall outcome	Intermediate outcomes that leads to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7
SI No	Goal /Impact	Objective/ Overall outcome	Intermediate outcomes that leads to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	Assumption s/ limitations/ risks for impact and project sustainability and review of mitigation measures	Review Assumptions/ limitations /risks for impact and project sustainability and review of mitigation measures	Review Assumption s/limitations s/risks in creating overall outcome and review of prevention and/or mitigation measures.	Review Assumption s/ limitations and risks stated at Col.7 and review prevention and/or mitigation measures adopted in at different levels	Review Assumptions/ limitations s and risks stated at Col.7 and review prevention and/or mitigation measures adopted activity design	Review Assumptions/ limitations and risks stated at Col.7 and review prevention and/or mitigation measures adopted in input.	Identify Assumptions/ limitations/ Risks in project implementation, if any, identify prevention and/or mitigation measures in input design

<div> <div>-----<-----End term<-----Mid-term-----<-----Project</div> <div>start<-----Planning</div> </div>							
SI No	Goal /Impact	Objective/ Overall outcome	Intermediate outcomes that leads to Overall outcome	Outputs for each intermediary outcome	Activities for each outputs	Inputs for each activities	Pre project implementation
	1	2	3	4	5	6	7

7. Review to be done by SE on Potential Unintended Negative Outcome (PUNO) across the timeline of the project

Review of PUNO by the project stakeholders after exit and implementation of mitigation measures as planned in the exit plan at column.2	Review of PUNO in the relation to the planning and execution of exit plan. identify mitigation measures to work upon in the exit plan.	Review of Unintended Negative Outcome (if any) in relation to the overall outcome and impact. identify mitigation measures to work upon.	Review of PUNO in relation to different outputs levels. Identify mitigation measures to work upon	Review of of activity design that addressed negating and/or minimizing PUNO	Review of of input design that addressed negating and/or minimizing PUNO	Potential unintended negative outcome (PUNO), if Any. Identify and keep provision to negate and/or minimize PUNO in the input design
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8. Handling convergence, contribution and sustainability by SE@

*Wherever applicable, how these instruments will be practised to create assets, capacities, partnerships, networks and influence through convergence of knowledge and resources with peers/partners within and outside the project and develop the stake of beneficiary community/entity for sustaining the outcome.

ANNEX-2

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/ Risk Investor/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 Projects**

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

- ii. Well-conceived inventory of preservation/ documentation of Intangible cultural heritage/ oral traditions
- iii. 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*)
- iv. Capacity building and support to artists/ artisans/cultural professionals for sustainable living
- v. 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.
-