

# NCDF Group – Social Return on Investment (SROI) Framework

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The Social Return on Investment (SROI) Framework of the Nigerian Capital Development Fund (NCDF Group) provides a standardized methodology to measure, manage, and communicate the social value created through our investment programmes. It aligns with international best practices, including the principles established by Social Value International (SVI), and integrates sector-specific metrics that reflect Nigeria's development priorities.

## 1. Objectives of the SROI Framework

- To quantify the social, environmental, and economic value created by NCDF-funded programmes.
- To inform strategic investment decisions through evidence-based impact analysis.
- To enhance transparency, stakeholder accountability, and sustainable development outcomes.

## 2. Core Principles

- Involve Stakeholders
- Understand What Changes
- Value What Matters
- Only Include What Is Material
- Do Not Overclaim
- Be Transparent
- Verify the Result

## 3. Calculation Methodology

NCDF uses a combination of input/output metrics and monetised outcome valuations to derive the SROI ratio. The standard formula applied is:

$$\text{SROI} = (\text{Total Social Value Created} - \text{Investments}) / \text{Investments}$$

This ratio expresses how much social value (in Naira) is generated for every Naira invested in a programme.

#### **4. Implementation & Verification**

Our SROI evaluation is conducted annually by an independent third-party auditor, in coordination with NCDF's Monitoring and Evaluation Unit. All assumptions, proxies, and stakeholder feedback are documented and verified in line with SVI's assurance requirements.