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Accounting for Social Impact. The case of Spain's Third Sector of Social Action

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Abstract: This teaching case examines how organizations in Spain's Third Sector of Social Action (TSAS) measure and communicate the social impact of their work. The TSAS brings together nearly 28,000 nonprofit organizations that increasingly face pressure to demonstrate transparency, effectiveness, and alignment with stakeholder expectations.

Drawing on Plataforma de ONG de Acción Social (POAS) data and academic literature, the case introduces the impact value chain and the Theory of Change as key frameworks for understanding how nonprofit interventions generate social change and for selecting meaningful indicators. The case invites students to reflect on how to choose good indicators and understand impact measurement not only as accountability, but as a tool for learning and improving nonprofit practice.

Keywords: *Third Sector of Social Action; nonprofit accountability; social impact measurement; Theory of Change; impact value chain*

Rendición de cuentas y medición del impacto social. El caso del Tercer Sector de Acción Social en España

Resumen: Este caso docente analiza cómo las organizaciones del Tercer Sector de Acción Social (TSAS) en España miden y comunican el impacto social de su trabajo. El TSAS reúne a casi 28.000 entidades no lucrativas que operan bajo una creciente presión para demostrar transparencia, eficacia y coherencia con las expectativas de sus grupos de interés.

A partir de datos de la Plataforma de ONG de Acción Social (POAS) y de literatura académica, el caso introduce la cadena de valor del impacto y la Teoría del Cambio como marcos clave para comprender cómo las intervenciones no lucrativas generan cambio social y cómo seleccionar indicadores significativos. El caso invita al estudiantado a reflexionar sobre cómo elegir buenos indicadores y a entender la medición del impacto no solo como un ejercicio de rendición de cuentas, sino también como una herramienta para aprender, mejorar las prácticas y fortalecer la acción no lucrativa.

Palabras claves: *Tercer Sector de Acción Social; rendición de cuentas; medición del impacto social; Teoría del Cambio; cadena de valor del impacto*

1. Introduction

The Third Sector of Social Action (TSAS) refers to the broad ecosystem of private, non-profit organizations rooted in civil society that work to defend rights, support vulnerable populations, and strengthen social cohesion. In Spain, although its origins trace back to long-standing traditions of mutual aid, community organization, and charitable associations, the TSAS began to consolidate institutionally during the second half of the 20th century, particularly from the late 1960s onward (Rodriguez Cabrero & Pérez, 2023). Today, the TSAS in Spain is formally defined as private, non-profit entities emerging from citizen initiative, guided by solidarity and participation, and oriented toward ensuring civil, social, economic, and cultural rights for individuals and groups experiencing vulnerability or exclusion (Ley 43/2015, of October 9, on the Third Sector of Social Action, 2015, p. 3).

As of 2023, the Spanish TSAS comprises close to 28,000 active organizations, the vast majority being associations, complemented by foundations, cooperatives, and social enterprises, representing approximately 1,44 % of the national GDP and 2.6% of total employment, and a volunteer base of more than one million people (Plataforma ONG de Acción Social, 2024). Despite their heterogeneity, TSAS organizations share three fundamental functions that anchor their identity: advocacy and defence of rights, service provision and personalized support, and promotion of civic participation (Ley 43/2015, of October 9, on the Third Sector of Social Action, 2015, p. 3). Through interventions across nearly all areas of social policy, including education, employment, health, housing, disability, ageing, childhood, and social services, the sector collaborates with public administrations, identifies emerging social needs, and supports the implementation of social policies, particularly those aimed at inclusion and the protection of vulnerable groups (Rodriguez Cabrero & Pérez, 2023).

This extensive presence across territories and policy domains has consolidated the TSAS as a strategic actor within Spain's welfare system and strengthened its social relevance (Rodriguez Cabrero & Pérez, 2023). Yet this same centrality, the pursue of social value missions, the need to continuously harness public and private resources and the complexity of the social problems they address, exposes nonprofit organizations to constant scrutiny. In recent decades, expectations on TSAS organizations for reinforced accountability on their social impact have increased, including transparency, ethical conduct, and demonstrable performance, driven by social, regulatory, and ethical pressures (Rey-García et al 2017; Benjamin, 2013).

Stakeholders now expect clearer communication of results and stronger evidence of the social value created by nonprofit interventions. Consequently, the ability to gather, interpret, and communicate performance and impact data has become central to organizational practice. It is no longer only about compliance; it has become a key factor for strengthening trust, legitimacy, and visibility (Valcárcel-Dueñas & Solórzano-García, 2019).

These changes are even more significant because many TSAS organizations depend heavily on external funding. Since they rely on public and private funders to carry out their activities, they often need to adapt to the requirements of those who provide the resources, including the obligation to present specific indicators or impact reports (upward accountability). Consequently, the growing emphasis on social impact measurement reflects a shift in how organizations are expected to demonstrate their contribution to social welfare: not only what they do, but how they impact and to what extent (Valcárcel-Dueñas & Solórzano-García, 2019; Maya-Jariego et al, 2020; Rey-García et al 2017).

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2. Accounting for Social Impact. The case of Spain's Third Sector of Social Action

The case of Spain's TSAS presents itself as an appropriate context for examining the current debates, on impact, accountability, and communication within the nonprofit field. Its diversity, social relevance, and strong dependence on stakeholder trust make it an ideal setting for exploring how social-impact measurement mechanisms strengthen accountability and build trust with stakeholders while remaining faithful to their mission.

Data collection for this case was conducted through a variety of secondary sources to provide a comprehensive understanding of the topic. These sources include sectoral reports—such as the Plataforma de ONG de Acción Social (POAS)—which offer detailed information about the situation of the Spanish Third Sector of Social Action, as well as academic literature that examines the theoretical concepts on which the case is based.

2.1. Social Impact Measurement (SIM) for accountability

Relationship marketing—understood as a strategic approach that prioritizes effective engagement with all relevant stakeholders—can strengthen an organization's performance and social impact when aligned with its mission and values (Rey García, Álvarez González, & Bello Acebrón, 2012). Closely related to this is the concept of market orientation, which underscores the importance of aligning organizational goals with stakeholder expectations, fostering a deeper connection between nonprofits and their environment (Andreasen, 1994). Achieving effectiveness in this domain is not only about delivering results; it also requires the ability to interpret, anticipate, and respond to the evolving needs of beneficiaries and other audiences. Trust, therefore, becomes a long-term process supported by ethical conduct, accountability, and transparent communication, elements that reinforce organizational legitimacy and enhance the capacity to attract support and resources. This perspective goes beyond the mere dissemination of results: it emphasizes mutual commitment, ethical management practices, and transparent communication about how resources are used and what changes they generate (Rodríguez-Navas & Rodríguez-Breijo, 2020).

In this regard, social impact measurement (SIM) has gained prominence as a strategic tool that complements accountability efforts and contributes to strengthening trust and legitimacy in the eyes of stakeholders. By providing concrete evidence of progress and social change, SIM supports informed decision-making and offers a foundation for more effective communication strategies and organizational learning aligned with stakeholder expectations (Meffert, 2005). Integrating impact results into decision processes thus enhances transparency, reinforces trust between organizations and their stakeholders, and ensures that resources and interventions are valued (Liket, Rey-García, & Mass, 2014; Murillo Pérez, 2020; Kotler & Lee, 2005).

In recent years, this growing emphasis on demonstrating outcomes has positioned SIM as a central concern within the nonprofit sector, reflecting mounting pressure to provide evidence of the tangible benefits generated by social interventions (Costa & Pesci, 2016, cited in Valcárcel-Dueñas & Solórzano-García, 2019, p. 4).

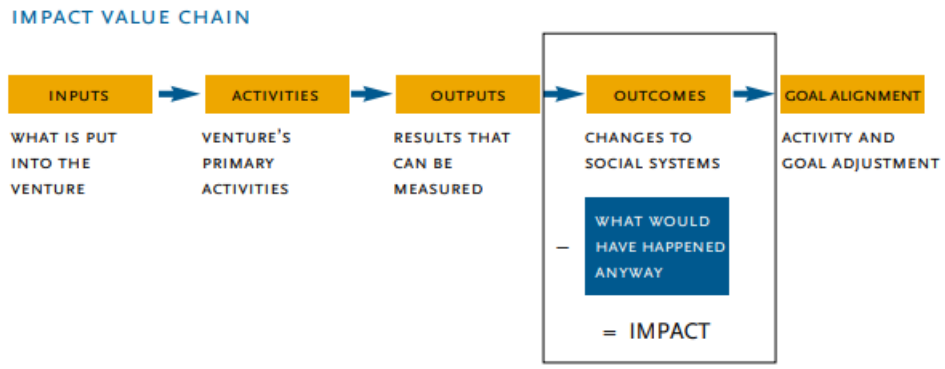
2.2. Measuring What Matters: Pathways of Change and Key Indicators

The term "impact" has often been used inconsistently, leading to conceptual ambiguity. To address this, the present work adopts the definition proposed by Liberta & Blanca (2007),

endorsed by ESIMPACT and the OECD's Development Assistance Committee (DAC), which understands social impact as the long-term changes experienced by individuals because of a specific activity, project, program, or policy. These changes may be positive or negative, intended or unintended, and can include both tangible and intangible dimensions.

To clarify how impact unfolds, the value chain framework developed by Clark, Rosenzweig, Long, & Olsen (2004) is an especially useful conceptual tool. This framework illustrates how resources (inputs) are transformed through an organization's activities to produce outputs, the immediate and measurable results of its interventions. These outputs contribute to outcomes, understood as the changes experienced by individuals, communities, or social systems. However, not all observed change can be attributed to the organization's action. To estimate actual impact, the framework emphasizes the need to subtract what would have happened anyway, meaning the portion of change that would have occurred in the absence of the intervention. The figure below provides an overview of this structure.

Figure 1. Impact Value Chain



Source: Clark, Rosenzweig, Long, & Olsen (2004)

Building on this framework, the impact value chain helps explain how change occurs in practice. By examining its components, we can better understand how TSAS organizations operate and how their resources and contexts shape the results they achieve. The following sections apply this structure to the Spanish case using recent POAS data:

- **Inputs** refer to the resources an organization needs to operate (Clark et al, 2004). In Spain, these resources vary greatly across the TSAS. The POAS shows that almost half of the organizations work with a total annual income of less than €30,000 a year, while only one third manage more than €150,000, and just a small minority reach income budgets above one million euros.

  Human resources show the same heterogeneity. About four in ten organizations have no paid staff at all, and many others work with very small teams of fewer than six employees. Even so, the staff that exists tends to be highly qualified: over 73% have university degrees. In addition, TSAS organizations depend on a broad volunteer base. In 2023 they collaborated with an average of 65.5 volunteers per organization, many participating only occasionally, and POAS data reveal a consistent trend: organizations with fewer resources tend to mobilize fewer volunteers.

  These figures help illustrate how limited and uneven inputs shape organizational capacities and ultimately social impact. Small budgets, few employees, and irregular volunteer participation influence every stage of the social impact value chain. POAS data also reveal clear differences between organizations: larger and better-resourced entities can mobilize more volunteers and sustain more stable teams, while smaller ones operate

with far fewer capacities. As a result, what organizations can deliver, and their ability to measure and show their impact, varies greatly depending on their size and available resources.

- **Activities** are the concrete actions an organization undertakes using its inputs. These may include training workshops, legal counselling, psychosocial support, or awareness campaigns (Clark, Rosenzweig, Long, & Olsen, 2004). In the Spanish TSAS, most activities take place close to the community: two-thirds of organizations operate mainly at the local, provincial, or regional level, showing a strong orientation toward proximity work. The main fields of activity are social action (50%), sociosanitary care (17%), and integration and social inclusion (11.8%). The most common services include information and guidance on social resources (33.3%), psychosocial support (28.3%), and training and educational activities (25.8%).

  Together, these figures show that TSAS organizations carry out a wide range of activities that go far beyond basic service delivery. Their work reflects a strong commitment to proximity and community-based action, combined with a holistic approach that supports, guides, empowers, and advocates for people in situations of vulnerability.

- **Outputs** represent the immediate and measurable products of these activities and mainly consist of services. They capture what the organization delivered, not what changed (Clark, Rosenzweig, Long, & Olsen, 2004). Outputs typically take the form of counts: the number of beneficiaries served (reach), workshops delivered, reports produced, or counselling sessions completed.

  In Spain, TSAS organizations collectively delivered more than 47 million direct interventions in 2023. The groups most frequently reached are people with disabilities (37%), children and adolescents (27.2%), and women (28.9%). Moreover, from a gender perspective, nearly six in ten beneficiaries were women (56.1%), a pattern that has remained stable over time. However, measuring the most basic of output indicators, i.e., the number of beneficiaries served, is not a straightforward task. Only 37,5% of 2.229 Spanish nonprofits responding to a 2010 survey provided data on their reach, and the "reach" question was the survey items that generated more telephone and email inquiries. This suggests TSAS organizations face conceptual and practical hurdles when trying to identify and quantify their beneficiaries. Such difficulties represent a serious barrier for SIM, as measuring reach is a prerequisite for measuring outcomes or impacts (Rey-García, Liket, Alvarez-Gonzalez, & Maas, 2017).

- **Outcomes** refer to the short- and medium-term changes experienced by individuals, groups, or communities because of the outputs. These changes may involve improved knowledge, enhanced skills, greater autonomy, or better psychosocial wellbeing (Clark, Rosenzweig, Long, & Olsen, 2004). Although many TSAS organizations have limited technical capacity to measure these changes, POAS data show that the sector is gradually strengthening its ability to evaluate and learn from its work.

  More than half of the organizations have already introduced plans for evaluating results (54.6%), transparency, and operational or strategic planning. This indicates that many entities are beginning to define the changes they want to achieve and to set up systems for tracking them. In parallel, close to 45% have developed information-management or communication plans, showing a growing interest in organizing data and using it more effectively.

  Finally, the use of evidence in decision-making is becoming more common. Over 55% of organizations report using data "quite a lot" or "a lot" when planning or adjusting their interventions. Although larger entities tend to rely on evidence more consistently than

smaller ones, the overall pattern shows a growing recognition that data in general, and outcome data in particular, help improve programs and understand the changes achieved.

- **Impact** corresponds to the long-term, significant, and ideally sustainable changes attributable to the organization's intervention. Unlike outcomes, impact requires distinguishing how much of the observed change is genuinely caused by the intervention. The value chain therefore emphasizes the need to consider what would have happened anyway, the portion of change that would have occurred even without the organization's action (Clark, Rosenzweig, Long, & Olsen, 2004).

  In the Spanish TSAS, the ability to generate and measure impact is closely linked to the inputs available to organizations. As shown earlier, many entities operate with very limited budgets, almost half manage total income under €30,000 a year, and four in ten have no paid staff, relying instead on small teams or occasional volunteers. These limited and uneven inputs condition not only the scale and quality of activities but also the capacity to track long-term change. Measuring impact often requires time, specialized skills, and stable data systems, resources that many small organizations simply do not have.

  In the Spanish TSAS, measuring impact is particularly difficult. POAS data show that although many organizations are strengthening their planning and evaluation systems, most still lack the technical capacity and resources needed to assess long-term change. For example, more than half of the organizations have result-evaluation plans (54.6%), but these systems focus mainly on monitoring activities, outputs and short-term results rather than on attributing long-term changes. Similarly, while 55.7% of organizations report using data "quite a lot" or "a lot" in decision-making, this use of evidence tends to support day-to-day management rather than rigorous impact assessment.

  Training efforts illustrate both progress and limitations. Around 72% of organizations provide training to their staff, which is an important step toward building the skills needed for better evaluation. However, most training is directed toward occupational risk prevention (52.9%) and social intervention techniques (46.9%), rather than toward advanced evaluation or data analysis. Only a smaller share of training focuses on areas that support impact measurement capacity, such as management and administration (24.7%), NGO management (23.8%), digital technologies (23.3%), or quality processes (21.2%). These figures suggest that organizations are improving their internal competencies, but still have limited access to specialized training related to impact evaluation.

Taken together, the data suggest that long-term impact is still rarely measured in the Spanish Third Sector, not because organizations are uninterested, but because they face structural constraints: limited staff, scarce technical expertise, and the absence of systems capable of comparing observed results with plausible alternatives (the counterfactual). Even so, the growing emphasis on evaluation, data use, and professional training indicates that the preconditions for impact measurement are gradually improving. As organizations strengthen their outcome tracking and evidence-informed decision-making, they will be better positioned in the future to understand and demonstrate the long-term social changes they contribute to.

At this point, the Theory of Change (ToC) becomes especially important because it provides the causal logic that connects every part of the impact value chain, from inputs and activities to outputs, outcomes, and long-term impact. While the value chain shows what happens at each stage, the ToC explains why those stages are connected and how short-term results are expected to lead to long-term change (Carman, 2010; Anderson, 2005).

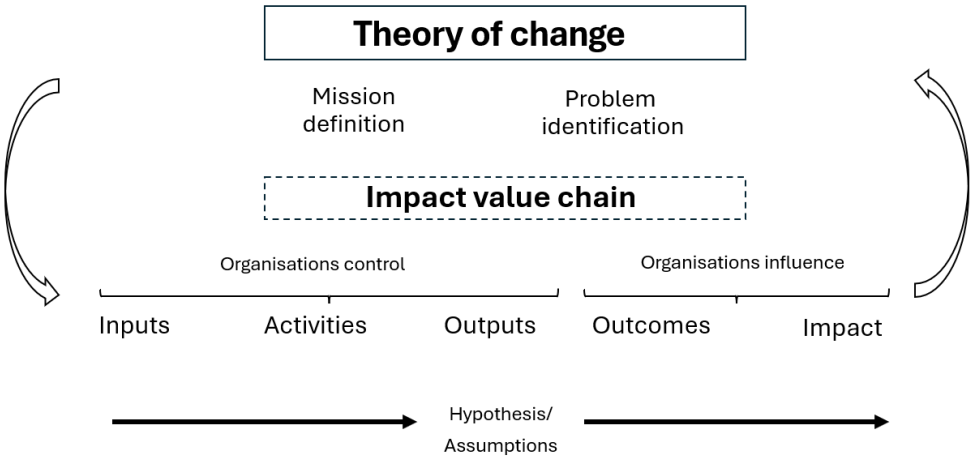
A Theory of Change begins by clarifying the organization's mission and the problem it aims to

address. From there, it outlines the solution the organization proposes, the activities required to put that solution into action, and the results expected over time. A key feature of any ToC is that it makes explicit the assumptions that must hold for the pathway of change to work, such as assumptions about participant engagement, the surrounding context, resource availability, or support from partners and institutions (Connell & Kubisch, 1998).

The utility of a Theory of Change lies in its ability to help organizations set realistic goals, clarify responsibilities, and build a shared vision of how change is expected to happen. It supports planning and monitoring in complex or uncertain contexts and encourages organizations to continuously revisit and refine their assumptions as conditions evolve (Taplin et al., 2013). As Ortiz and Rivero (2007) describe, a Theory of Change functions like a roadmap: it explains where the organization wants to go, where it currently stands, and what must happen for the desired change to be achieved.

In this way, the Theory of Change reinforces the entire impact value chain. It ensures that activities are logically linked to the outcomes and impacts the organization seeks, highlights the risks and assumptions behind each step, and guides the selection of meaningful indicators to track progress toward long-term impact.

Figure 2. Integration of the Theory of Change and Impact Value Chain.



Source: Own elaboration.

Once the Theory of Change and the Impact Value Chain clarify how an intervention is expected to generate change, the next step is to select indicators that allow organizations to track whether this change is occurring. This task is particularly complex in the TSAS, because organizations differ widely in their size, missions, target populations, and intervention models. As Ebrahim and Rangan (2014) note, this diversity makes it impossible to develop a single set of standard indicators that works for all nonprofit organizations. Instead, indicators must be chosen strategically, based on each organization's mission, program objectives, and Theory of Change.

A good indicator must first be aligned with the organization's mission and the specific goals of the intervention. The purpose of measurement is to capture what truly matters for understanding change not simply what is easiest to count (Hatry, 2002). For this reason, indicators should be linked to the outcomes and impacts described in the Theory of Change, allowing organizations to assess whether they are making progress toward the social changes they aim to achieve.

In addition, indicators should meet basic quality standards, often summarized through the SMART criteria (Doran, 1981). Good indicators are:

- **Specific**: focused on a clearly defined phenomenon.

- **Measurable**: supported by data that can be reliably collected.
- **Achievable**: realistic given the organization's resources and context.
- **Relevant**: linked to the intended change, not peripheral aspects.
- **Time-bound**: associated with a clear timeframe.

Because TSAS organizations often face financial and operational constraints, indicators must also be **cost–efficient**. Collecting data should not overburden the organization or divert excessive resources from service delivery. Whenever possible, organizations should **use existing indicators and available data** (e.g., administrative records, service logs, publicly available datasets) to reduce effort and increase comparability across time (OECD, 2019).

Another key requirement is that indicators be clearly defined and, when possible, comparable. Clear operational definitions ensure that data collection is consistent even if different people perform the measurement. Comparability, though not always feasible in a diverse sector, enables organizations to identify trends, benchmark progress, and communicate results more effectively to stakeholders (Kusek & Rist, 2004).

Overall, a good indicator is one that is aligned with the mission, methodologically sound, feasible to apply, meaningful for stakeholders, and useful for organizational learning. In such a heterogeneous sector as the TSAS, choosing indicators is therefore less about standardization and more about strategic relevance: selecting measures that help organizations understand, improve, and credibly communicate the social changes they aim to create.

3. Questions for discussion

Question 1. How do you think an organization's capacity to evaluate relates to its level of professionalization?

The relationship between an organization's evaluation capacity and its level of professionalization is strong and mutually reinforcing. Data from the POAS 2024 clearly show that more professionalized organizations, particularly larger and better-resourced ones, use data more systematically, which suggests that evaluation capacity increases with professional maturity. For instance, 71.1% of organizations with budgets above one million euros report using data "quite a lot" or "a lot" to make decisions, while only 47.9% of organizations with total income budgets under €30,000 do the same. Small entities are also far more likely to report that they use little or no data: 52,1% of organizations with the smallest budgets say they use data "very little", "not at all" or "some". These differences indicate that resources, staffing, and internal structure directly shape an organization's ability to evaluate.

Professionalized organizations often have stable teams, clearer administrative procedures, and dedicated staff or tools for data collection and analysis. This makes it easier for them to monitor outcomes, track progress, and incorporate evidence into decision-making. By contrast, less professionalized organizations typically lack the staff, technical skills, and data systems needed to support evaluation. As a result, many depend on manual data collection, receive little evaluation training, and often perceive evaluation as a burden or an external requirement (Carman & Fredericks, 2008).

As a result, low professionalization restricts their capacity to develop reliable social accounting systems, making it harder to produce consistent data, track outcomes, and demonstrate results. This limited evaluation capacity in turn constrains organizational learning.

Question 2. **In Spain, 28.3% of TSAS organizations carry out psychosocial intervention activities, understood as actions aimed at improving individuals' emotional wellbeing,**

social functioning, and capacity to cope with daily challenges. How would you measure their social impact?

To measure the social impact of psychosocial interventions in the Spanish TSAS, it is essential to combine the Impact Value Chain with a clearly defined Theory of Change. The ToC provides the causal explanation of how psychosocial services are expected to lead to improvements in people's wellbeing, while the value chain helps identify what should be measured at each stage.

A ToC for psychosocial work starts by clarifying the organization's mission and the problem to be addressed, for example: limited autonomy, social isolation, difficulty managing a chronic or neurodegenerative condition etc. Then it formulates the solution (inputs and outputs), which may include individual counselling, occupational therapy, neuropsychology sessions, social work support, psychoeducational groups, or training in coping strategies. Crucially, the ToC makes explicit the assumptions that must hold for change to occur, such as regular attendance by participants, stable coordination among multidisciplinary teams, involvement of families when needed, financial sustainability of services, and trust between the users and the professionals. These assumptions are central, because if they fail, even well-designed interventions may not achieve the expected results.

Once the causal pathway is clear, organizations can measure impact through the Impact Value Chain. Each stage highlights a different type of indicator and requires a different measurement approach.

- **Outputs:** These indicators capture the immediate products of the activities. In psychosocial interventions, they may include: number of counselling or therapy sessions delivered, number of neuropsychological assessments completed, frequency and duration of group therapy activities. Outputs describe what the organization did, but they do not yet show whether participants changed.

- **Outcomes:** These indicators reflect improvements that occur weeks or months after the intervention begins. Some psychosocial outcomes may include: improvement in emotional, physical, or cognitive wellbeing, empowerment and a stronger sense of control, better family relationships and communication, enhanced functional and daily living abilities etc. These changes can be measured through wellbeing scales, resilience assessments, self-reported surveys, interviews, or interdisciplinary evaluations.

- **Impacts:** These indicators capture deep, sustained transformations that last months or years. These could be: improved quality of life for the person and family, increased autonomy and independence, strengthened self-esteem and confidence etc.

  Measuring impact requires assessing attribution (the part of change caused by the intervention), deadweight (what would have happened anyway), drop-off (whether benefits fade over time), and unintended effects. Longitudinal assessments, follow-up interviews, and comparison with baseline data may be essential tools.

Taken together, this approach enables TSAS organizations to understand not only the positive results they generate, but also the limitations of their interventions, the unintended or negative effects that may emerge, and the contextual factors that shape outcomes. In this sense, impact measurement becomes a process of organizational learning, helping entities reflect on what works, what does not, and why. Rather than being solely a way to prove success, it becomes a tool to improve practice, refine decisions, and strengthen the overall coherence and effectiveness of psychosocial support.

Question 3. In the case of a Spanish development NGO that provides livelihood training for women in rural communities, which output, outcome, and impact indicators would you use,

and why?

To select appropriate indicators for a Spanish development NGO that provides livelihood training for women in rural communities, it is important to follow the logic of the impact value chain and measure change at three complementary levels: outputs, outcomes, and impacts.

Output indicators should capture the immediate products of the NGO's activities and help determine whether the intervention has been implemented as planned. In this case, relevant outputs may include the number of training sessions delivered, the number of women who attend a substantial portion of the sessions, the total training hours provided, the distribution of learning materials, or the number of partnerships created with local cooperatives. These indicators are straightforward to collect and offer essential information about the program's reach and operational performance.

Outcome indicators should then assess the short- and medium-term changes experienced by participants because of the training. These may include increases in technical or vocational skills, gains in self-confidence or decision-making capacity, improvements in financial literacy, or the extent to which participants begin applying their new skills in income-generating activities. Additional outcome indicators may capture increased participation in community groups, cooperatives, or local decision-making spaces. These measures provide insight into whether the training is generating the intended behavioural and attitudinal changes that are essential for women's economic empowerment.

Finally, impact indicators should examine the deeper, long-term transformations that occur in women's lives and their communities. For a livelihood program, relevant impacts may include increases in household income attributable to women's participation, the percentage of women who achieve stable self-employment or join income-generating cooperatives, or improvements in overall wellbeing and quality of life. Other indicators may focus on shifts in women's social status within their households, greater control over financial decisions, or changes in community attitudes toward women's economic participation. Some impacts can also be systemic, such as the creation of new community initiatives inspired by the program (leverage) or changes in local policies or practices that support women's economic empowerment (influence).

These indicators are appropriate because they align with the organization's mission and its Theory of Change, which typically aims to strengthen women's skills, enhance their economic participation, and create long-term improvements in wellbeing and autonomy. They also follow the structure of the impact value chain, allowing the NGO to monitor what it delivers, what changes occur in the short term, and what lasting effects emerge later. Finally, they strike a balance between feasibility and relevance, enabling the organization to collect meaningful information for accountability, communication, and organizational learning, while ensuring that data collection remains realistic in resource-constrained environments.

4. Conclusions

The case of Spain's TSAS shows a complex and sometimes paradoxical reality. On the one hand, TSAS organizations have become key actors in the welfare system, delivering essential services, defending rights, and maintaining a strong territorial and relational presence with vulnerable groups. On the other hand, they operate with highly uneven and often limited inputs, strong dependence on external funding, and growing pressure to demonstrate their contribution to social welfare through social impact measurement. This tension between ambitious missions and constrained resources is central to understanding both the potential and the difficulties of social impact measurement in the nonprofit field.

The analysis of the impact value chain applied to the TSAS illustrates that many organizations are still concentrated on the "front end" of the chain, inputs, activities, and outputs, while only a

smaller group has the capacity to systematically track outcomes and, even less often, long-term impacts. POAS data reveal important advances, such as the expansion of evaluation plans, greater use of data in decision-making, and increased training efforts. At the same time, they highlight structural barriers: small budgets, limited staff, and scarce technical expertise make rigorous impact assessment particularly challenging for a large proportion of entities. In practice, this means that long-term impact is frequently assumed rather than empirically demonstrated.

In this context, the Theory of Change offers a particularly valuable framework. By clarifying the problem to be addressed, the solution proposed, the activities to be implemented, the expected results at different stages of the value chain, and the assumptions that underpin them, ToC helps TSAS organizations articulate a coherent narrative about how their interventions are supposed to create change. When linked to carefully selected indicators, it can guide more realistic, context-sensitive approaches to measurement that focus not only on "proving impact" but also on questioning it: under what conditions does the intervention work, for whom, and through which mechanisms?

Overall, SIM offers TSAS organizations a practical way to understand how their work contributes to improving people's lives. By examining not only what they do but also the changes their interventions generate, organizations can communicate their results with greater clarity and transparency. This helps strengthen trust and accountability, but its value goes beyond reporting: impact measurement also supports learning. It allows organizations to identify what is working well, what needs adjustment, and which unexpected or negative effects require attention. In this sense, measuring impact is not just about proving success, it is a tool for improving practice, making better decisions, and ensuring that limited resources are used in ways that create meaningful and lasting benefits for individuals and communities.

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