

SOCIAL RETURN ON INVESTMENT

SROI

Zala Valley Open Farm Network

(Hungary)





## 1 The Social Return on Investment (SROI)

### 1.1 Exploring change

The first phase of the SROI process was carried out with the active involvement of the project Practice Group within a two-day practice group meeting hosted by the Zala Thermal Valley LEADER LAG. Due to this arrangement, the active participation of the Zala-valley Open Farm network membership and coordinators was successfully provided. Challenges, solutions and outcomes were discussed and structured in a pre-defined Journey of Change (JOC) structure. Enablers and barriers in achieving the identified outcomes were also listed. In addition to direct beneficiaries (network members), the joint thinking also extended to the potential benefits of other stakeholders i.e. the actors from the wider local/micro-regional community, consumers etc. The SROI groups were led by a head facilitator, assisted by other facilitators, involving various non-farmer members of the practice group, in order to conduct and control the conversation, and to provide questions and ideas that catalyse the workflow. The biggest challenge was the short time available and the need to structure a lot of content according to the logic of JOC. See annex I. for the final version of the JOC.

### 1.2 Evidencing change

Based on the outcomes defined in the Journey of Change, the expert team of UGLOS<sup>1</sup> created questionnaires targeting the following three main stakeholder groups:

- current and former network members, employees and family members;
- members of local organisations, civil society, public sector or policy maker;
- members of local communities, visitors or local consumers.

The finalisation of the questionnaires was a several round iterative process, resulting in improvements and refinements based on the local context. In addition to the AKI staff, the network coordinators also tested the questionnaires and made detailed suggestions for changes. This is how the target groups as well as the response alternatives that could be interpreted in terms of target groups and local context were clarified.

51 validly completed questionnaires were received. The data collection was greatly helped by the network coordinators encouraging members to complete the questionnaires both in writing and in person. For those members who do not use a computer in their daily work, the coordinators delivered the paper version of the questionnaire personally. The motivation of the members and the effectiveness of the coordinators' activation is demonstrated by the fact that 26 out of the (at the time) 29 members of the network completed the questionnaire. In addition, 10 completed questionnaires were submitted by local NGOs or local public decision-makers, 8 were sent in by local residents, consumers or visitors, 5 were received from employees or family members and 2 from former network members.

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<sup>1</sup> University of Gloucestershire





Data collection instrument and method	Informants (n)	Challenges / Opportunities
Self-completion online survey, if necessary paper-based completion with personal assistance.  Additional data was collected from and through the network organizer via email.	Network members (28); family members / employee (5); local people / customer (8); local org. / institution (10)	Prior and deeper understanding of the full data/information needs of the SROI and the logic of data use would have increased the efficiency of data collection.  High response rate thanks to the well-functioning network.

### 1.3 Valuing change

The summative SROI Impact Map for the Zala Valley Open Farm network social innovation is given in the table below. Wellbeing impacts over a 7-year benefit period (2017-22) were generated for a range of stakeholders who are deemed to have materially benefited from the social innovation created by the network. These **beneficiaries comprise** 22 farmers (and farm businesses and households); 39 farm family members; 12 farm workers; 74 organisations; 5 additional network members; 6 county districts and 459 local consumers. Derived outcomes fall across **5 wellbeing impact pathways**, with social and community wellbeing being substantive area of value generation.

The SROI findings demonstrate that the investment in the Zala Valley Open Farm network represents a **337% return to individuals, communities and society** with respect to wellbeing impacts for range of stakeholders, including farmers. Over the seven-year benefit period the **overall return for each Euro invested has been 3.37 Euros** as the health, wellbeing, and a range of social and relational wellbeing factors have improved as a result of engagement with, and opportunities afforded by, the network.

**Just under half of this value** comes from social and community wellbeing related to **increased respect and understanding of farmers and the wider professional recognition and lobbying power** of the network. This evident success reflects the community of common interest and values and the three years of joint thinking and learning on which the network has been built. The collective decision to pursue an open farm network, together with shared understanding and values resulting from a number of training sessions, workshops and study tours have clearly paid dividends for the Zala valley with respect to its social wellbeing. Indeed, **the way that the network operates is fully transparent and democratic**, and there is a strong emphasis on learning, joint actions and regular meetings – the impact of which is clearly reflected in the SROI findings. In time, and with continued investment, one can expect the gravity of impacts around this social innovation to grow further.

**Environmental wellbeing impacts** that relate to **improvements in ecological quality and increased awareness of local produce account for a fifth of all value generated** by the open farm network, and benefit both farmers and the wider community – including visitors. This aspect of wellbeing creation is likely to underpin the success and contribution of the open farm model for many years to come, as by its very nature environmental and ecological drivers of wellbeing will sustain wider health and wellbeing benefits for individuals, visitors and communities through environmental and dietary behaviour.





While farmers have benefited greatly in terms of social and environmental wellbeing factors, they have also **reaped the rewards of engagement with the network in personal and economic terms**. Improved agency, self-esteem and support for their physical and mental health has come from the social and relational engagement with the network, and development of their own knowledge and skills, and associated improvements to the sustainability, efficiency and innovation of their farming practices are also notable benefits revealed by the SROI. Such impacts reflect not only the reach, but the depth and breadth of the open farm network. This **has been underpinned by its close relationship with the LAG and its management**, which has brought together stakeholders; generated resources and organised joint learning together; managed conflicts; and provided resources for small scale investments necessary for farmers to both join and capitalise of the social and economic opportunities of the network – in turn growing and sustaining a significant base of knowledge and social capital in the area.





**Table: Hungary Evaluative SROI Impact Map** (Social Innovation: Zala Valley Open Farm network)

Impact Pathway	Outcome	Stakeholders (No.)	Indicator/s of Change	Outcome Change (%)	Financial proxy (Value €/Unit)	Present Value (€)	Present Value (%)
Personal Wellbeing	Improved self-realisation, pride, awareness and agency	Farmers (22); farm family members (39)	Agency, confidence and awareness scale (Composite)	78%	Cost of leadership management training course (€ 432 per person)	€ 7,330	6%
	Improved Physical health	Farmers; farm family members; farm workers (12); local consumers (459)	Single item physical health measure	12%	Cost of reduced health care to maintain good physical health (€ 135 per person p.a)	€ 12,207	
	Improved self-esteem and support for mental health	Farmers (22); farm family members (39)	Self-esteem scale	79%	Cost of Cognitive behavioural therapy (CBT) to build psychological resilience and self esteem (€ 765 per person p.a)	€ 50,707	
Relational Wellbeing	Improved partnership working	Local organisations (74)	Collaboration/networking Scale (composite scale)	85%	dfT estimation of business time savings (€ 2,339 per org p.a)	€ 202,353	18%
	Improved social wellbeing	Farm households (22)	Collaboration and networking scale	85%	Average annual household spend on recreation and culture (€ 843 per household p.a)	€ 21,677	
	Increased respect and understanding of farmers in the community - farmer perspectives	Farmers (22); farm family members (39)	Respect and understanding measures	68%	Valuation for improved emotional well-being arising through the Common Assessment Framework (€ 401 per person p.a)	€ 22,845	
	Increased respect and understanding of farmers in the community - community perspectives	Other network members (9); Local consumers (459)	Respect and understanding measures	76%	Valuation for improved emotional well-being arising through the Common Assessment Framework (€ 401 per person p.a)	€ 195,893	





Impact Pathway	Outcome	Stakeholders (No.)	Indicator/s of Change	Outcome Change (%)	Financial proxy (Value €/Unit)	Present Value (€)	Present Value (%)
Social and Community Wellbeing							46%
Environmental Wellbeing	Improved ecological quality of the local environment - farmer perspectives	Farms (22)	Ecological quality measure	70%	Cost of agricultural consultant for advice on farm management (€ 902 per farm)	€ 4,974	24%
	Improved ecological quality of the local environment - Community perspectives	Local consumers (459)	Ecological quality measure	76%	Household Willingness to Pay (WTP) for biodiversity value of woodland (per ha of land managed) (€ 10,080 per household)	€ 60,120	
	Increased awareness of food, agriculture and environment	Local consumers (459)	Awareness of local food production issues scale. (Composite)	89%	Annual price difference of buying food from a farm shop compared to the supermarket (€ 349 per household p.a)	€ 196,052	
Economic Wellbeing	Improved sustainability of farm practices	Farmers / Farm businesses (22)	Farm sustainability measure	64%	Value of increased and safeguarded sales for agriculture and forestry through LEADER (AXIS 3) (€ 725 per farm)	€ 16,558	
	Development of niche markets and tourism provision	Farm businesses (22); local consumers (459)	Conservation of cultural heritage scale	88%	Tourism value of heritage (€ 17 per household p.a)	€ 10,170	
	Diversification of farm income; increased financial stability	Farmers / Farm businesses (22)	Financial sustainability and diversification scale (with measure of reduced anxiety) (Composite)	60%	Value of increased and safeguarded sales for agriculture and forestry through LEADER (AXIS 3) (€ 725 per farm)	€ 3,415	
	Improved knowledge and skills	Farmers (22); farm family members (39); farm workers (12)	Enhanced life and work skills scale (Composite).	67%	Cost of employability skills training in regular sessions with counsellor/coach	€ 23,900	





Impact Pathway	Outcome	Stakeholders (No.)	Indicator/s of Change	Outcome Change (%)	Financial proxy (Value €/Unit)	Present Value (€)	Present Value (%)
					(€ 900 per person)		
	Improved innovation and efficiency of farm businesses	Farmers / Farm businesses (22)	Farm efficiency improvement scale (Composite)	66%	Utility bill savings through increased resource efficiency (€ 69 per farm business)	€ 357	
	Changes to legislation achieved	Farmers (22); other network members (9)	Measure of Legislative and regulatory impact	63%	Average size of a charitable donation in the UK (€ 227 per household p.a)	€ 6,088	
<b>Total benefits</b>						<b>€1,104,024</b>	
Total Investment						€327,240	<b>100%</b>
<b>Benefit-to-Investment Ratio</b>						<b>€3.37 : 1</b>	





Annex 1. Journey of Change - Zala Valley Open Farm network

