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Social Impact

Reintegration Through Sport (RTS)

Introduction

Our daily activities create and destroy value since they change the world around us. We perceive the value not only as a result of the economic process but also of the social and environmental actions. It seems difficult to evaluate this kind of value in accounting terms. Nevertheless, the valuation in monetary units is the main way of measuring. As a result, only those can be bought and sold are considered important and the decisions of an organization are based on such an accounting value which counts on incomplete information relating to the real significance of the results of an activity.

Existing social value measurement methodologies fail to appreciate the social and environmental value and emphasize only to the financial one. Until recently identifying the social impact was accomplished through quantitative indicators that mainly focused on the financial value generated by the under-evaluation action. In this way, it is not published the complete theory of change but only the economic results of an action. Recently, the need for evaluating also qualitative indicators has attracted considerable interest. Apart from the economic value, the qualitative indicator, that it is used most often, records the number of an activity's beneficiaries. Such an indicator is able to perform a superficial presentation of the activity that cannot record the extended value in which we should focus.

The SROI analysis

The methodology "Social Return on Investment" is a methodology that emphasizes in the human experience and how it can change, step by step, our family, our city and our world! It measures the outcomes of an action, taking into consideration the stakeholders' (people and organizations) experience. It tells the story of change that each stakeholder experienced through this specific activity using the measurement of social, environmental and financial outcome and applies on them monetary values for their evaluation. This permits the calculation of an analogy benefits/costs. For instance, an analogy 2:1 implies that an investment of 1€ generates 2€ of social value.

The indicator SROI does not focus on monetary units. Money is just a common measurement unit and as a result it is a useful and acceptable way of conversion of the value. In the same approach that a business plan contains much more information rather than the financial forecasting, the SROI analysis includes case studies, qualitative, quantitative and financial data and based on them the decision making is more sensible.



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Developed from traditional cost-benefit analysis and social accounting, SROI is a participative approach that is able to capture in monetized form the value of a wide range of outcomes, whether these already have a financial value or not. An SROI analysis produces a narrative of how an organization or a project creates and destroys value in the course of making change in the world, and a ratio that states how much social value (in euros) is created for every euro of investment.

SROI is informed by a set of principles that are designed to ensure that process is robust, transparent, and informed by stakeholders. The principles inform a six-step methodology:

1. Establishing scope and identifying key stakeholders. Clear boundaries about what the SROI will cover, and who the will be involved are determined in this first step.
2. Mapping outcomes. Through engaging with stakeholders, an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes is developed.
3. Evidencing outcomes and giving them a value. This step first involves finding data to show whether outcomes have happened. Then outcomes are monetized – this means putting a financial value on the outcomes, including those that don't have a price attached to them.
4. Establishing impact. Having collected evidence on outcomes and monetized them, those aspects of change that would not have happened anyway (deadweight) or are not as a result of other factors (attribution) are isolated.
5. Calculating the SROI. This step involves adding up all the benefits, subtracting any negatives and comparing them to the investment.
6. Reporting, using and embedding. Easily forgotten, this vital last step involves sharing findings and recommendations with stakeholders, and embedding good outcomes processes within your organization.

Having these principles as a guide, Equal Society (partner of the project) has evaluated the RTS project using the SROI analysis. Equal Society, had established techniques and methods, that enabled to ensure the quality of the project and achieved optimal results. This has achieved in combination with the Social Return on Investment (SROI) methodology in order to measure to what extent the project reached its objectives and has created real social impact.

About Equal Society

Equal Society has developed the Social Value Greece network. The main goal is to make social value measurement part of the routine for any for-profit or non-profit organization in order to increase their social impact and to reduce social and economic inequality; thus improving public welfare through balancing social, economic and environmental factors. In order to achieve this staffs members of Equal



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Society were educated in a methodological tool "Social Return on Investment" (SROI) for measuring social impact of investments. The Social Value Greece team has already evaluated more than 40 profit and non-profit organization, measuring the impact of their work for the benefit of the society as a whole. Equal Society is an official member of the Social Value International network.

The Reintegration through Sport project

The first and most important step is identifying the stakeholders of the project. After involving stakeholders and understanding the changes they experience, we start measuring the SROI ratio.

The stakeholders of the project were:

- a) The partners,
- b) The beneficiaries,
- c) The trainers and
- d) The health experts

The methodological tools that were used in the evaluation of the Reintegration through Sport project included participant observation, interviews and questionnaires which were targeting the stakeholders, literature, internet and social media research.

Inputs and outputs

The project's inputs came from the European Union, which offered the total amount of 57.780,00€. On the other hand, the outputs (aka the theory of change) for the project were the following:

- Beneficiaries: Felt Satisfaction, acceptance by the group, increase trust, physical Improvement, anger management – calmness, positive psychology, and optimism.
- Trainers: Social Awareness, gained knowledge, new ideas / knowledge for adventure therapy
- Health professionals: Felt satisfaction, gained professional experience, social responsibility, improved social and professional skills.
- Partners: professional networking, know-how

Outcome Indicators

General speaking some indicators could be found easily for certain outcomes. For example, the professional networking could be easily measured. However, some other outcomes, such as life satisfaction, could not be measured easily in monetary values. For this reason, we based our measurement on the questionnaires or the interviews. In order to maintain the objectivity of the indicators and the final social value, we tried to use subjective criteria along with the objective answers of the responders.



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Establishing how long outcomes last

The duration of the outcomes is also important for the impact measurement of an activity. The effect of some outcomes will last longer than others. We set the duration of the outcome of strengthening the social ties of the partners, the beneficiaries and the health professionals.

Financial proxies

The financial proxies used for the analysis was selected in a way that they best presented the importance of outcomes for each stakeholder. However, identifying a financial value for the outcomes could be either easy or difficult task. In this analysis, taking into account the limited data availability we tried, whenever it was possible, not only to rely on the stakeholders' different subjective perceptions, but also to use objective financial proxies so that the final ratio would be as objective as possible. Last but not least, we used as proxies the possible lowest values in order to avoid over claim.

Deadweight, attribution and displacement

For each change we should take into account the following three parameters:

- What would have happened anyway if the project was not in place?
- Did this activity displace any other activity?
- What other organizations/services/projects/people have helped bring about this change?

All these parameters were taken into account and calculated as percentage of the total change.

Calculating the net present value

The final calculation of the net present value of each change as it was perceived by stakeholders was made by multiplying the value of the financial proxies with the quantity and subtracting the percentages of deadweight, attribution, displacement and drop off.

All these calculations have showed that The Reintegration through Sport project has created net social value (or net present value) equal to 189.067, 66€.

Social Return on Investment Ratio

Social return on investment ratio equals Net Present Value created divided by the value of inputs. In this case, the SROI ratio is equal to: $\frac{189.067,66\text{€}}{57.780,00\text{€}} = 3,27\text{€}$