

Local Food Chains



Toolkit for Social Enterprises in the Agri-Food chain



Northern & Western
Regional Assembly



Co-funded by the COSME programme
of the European Union

Introduction

The aim of this Toolkit is to support entities in the Social Economy that are part of the short or 'Local' food supply. The Toolkit is developed and tailored for the 3 participating regions in the Local Food Chains COSME – Social Economy Mission:

- Northern and Western Region of Ireland
- Sibiu, Romania
- Hajdú-Bihar County, Hungary



The 'Local Food Chains' project is Social Economy Mission funded through the EU's COSME programme and aims to develop sustainable and resilient short Agri-food supply chains through Interregional learning and collaboration. From February 2021 – January 2022, partners in the consortium worked with social enterprises operating in the agri-food sector such as community farms and food producers to identify examples understand the common challenges, faced by these organisations by hosting focus groups and workshops. The Workshops were an opportunity for participating social Enterprises to learn about Good Practices in each region and identify potential solutions to challenges they may be facing.

Who is this Toolkit for?

This Toolkit is primarily designed to support social economy entities operating in the Agri-Food Sector to become more resilient, enhance their business model and to be recognised & valued by consumers as an integral part of the food supply chain.

What is a Social Economy?

Typically entities in the social economy share the following main common principles and features: the primacy of people as well as social and/or

environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest") and democratic and/ or participatory governance. <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

What is a Social Enterprise?

Defined by the European Commission: *A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.*

Social enterprises are businesses whose core objective is to achieve a social, societal, or environmental impact. They frequently work to support disadvantaged groups such as the long-term unemployed, people with disabilities, travellers, etc., or to address issues such as food poverty, social housing, or environmental matters.

The need for Short Food Supply Chains

The Need for Short and local Food Supply Chains
Developing short and local food supply chains is not a new concept, however the recent COVID-19 pandemic has highlighted how vital local food producers, suppliers and community organisations are for providing foods and services in a time of crisis.



Local and community farms experienced an increase in demand during the COVID-19 pandemic travel restrictions. During the pandemic, many community organisations emerged as a vital resource in



providing daily meals and medicine to elderly and vulnerable people in the community.

Mission & Purpose

The starting point for any social enterprise is to be clear on what it is trying to achieve, what is the motivation and how the staff and volunteers will go about doing it.

Social enterprise needs to have a clearly defined brand and business brief which communicates what it does, how it does it and why it does it.

A social Enterprise is distinguished from a conventional business because it is established to tackle a problem or promote a cause as its primary intention. Tackling that problem or challenge becomes the organisations' 'social mission'.

Business Plan

Just like a private enterprise, social enterprises should also have a business plan. The business plan is an important document for founders, staff and volunteers and potential funders to understand the mission, purpose and proposed direction of the business. The business plan should also describe the enterprises 'Business Model' and how it is going to make money.

A well-structured and detailed Business Plan will help founders and staff understand the values, growth projections and goals of the enterprises. Authors of the Business plans should aim to have most or all of the following topics:

- Executive Summary
- Business Proposition
- Customer Profile
- Products and Services
- Market Opportunity
- Marketing and Sales
- Operational Management
- Business Formalities
- Social Impact
- The Team
- Implementation Plan
- Financials



<https://socialenterprisetoolkit.ie/chapter-2-mission-purpose/>

Sources of Finance

Identifying sources of finance will depend on the type of Social Enterprise, its activities, and the timing of 'Calls for Funding'. Social Enterprises should consider opportunities for regional, national and EU funding opportunities. The ability to access to finance may also depend on the legal status of the organisation. Options for finance include:

- Public or EU funds
- Banks
- Crowdfunding
- Fundraising or Competitions

Public & Private Funds from participating regions in the Local Food Chains Social Economy Mission:

Ireland
<ul style="list-style-type: none"> • Social Enterprise Small Capital Grants Scheme 2021 https://www.gov.ie/en/publication/624c74-social-enterprise/#funding-and-supports-for-social-enterprises • Rethink Ireland: Social Enterprise Development Fund 2022 – 2023 https://rethinkireland.ie/current_fund/social-enterprise-development-fund-2022-2023/ • Community Services Programme (CSP), https://www.pobal.ie/programmes/community-services-programme-csp/ • Social Inclusion and Community Activation Programme (SICAP) https://www.pobal.ie/programmes/social-inclusion-and-community-activation-programme-sicap-2018-2022/ • LEADER Funding https://www.nationalruralnetwork.ie/leader/
Romania
<ul style="list-style-type: none"> • LEADER Funding- https://www.madr.ro/axa-leader.html • Support for Social Enterprises Start-up- https://mfe.gov.ro/pocu-ghidul-sprijin-pentru-infiintarea-de-intreprinderi-sociale-in-mediul-rural/ • Fonduri - Structurale - https://www.fonduri-structurale.ro/fisa-proiect/2/programul-operational-capital-uman/406/pocu-4-16-sprijin-pentru-infiintarea-de-intreprinderi-sociale
Hungary
<ul style="list-style-type: none"> • GINOP/+ - Economic Development and Innovation Operational Programme/+ • Unicredit Bank –



- ERSTE Bank
<https://www.erstebank.hu/hu/ebh-nyito>

Staff and Volunteers

Staff and volunteers are the most important asset for any Social Enterprises. The mix of staff and volunteers depends on the nature and type of social enterprises. When managing both staff and volunteers, good governance and policies are essential to ensure the safety, well-being, and the long-term viability of the enterprise. For both staff and volunteers, founders & managers should consider the following policies for the enterprise:

- Human Resources Policy
- Grievance and Disciplinary Policy
- Health and Safety at Work
- Environment Policy
- Equal Opportunities Policy
- Finance policy
- Buildings policy

During the Local Food Chains Workshops that took place in 2021, stakeholders often discussed how volunteers or participants in a Social Enterprise should be acknowledged and their time valued.

Case Study: Balmaz Pasta (Hungary)

Balmaz Tészta has established a reputation for producing high-quality pasta and is the most well-known and one of the most successful social enterprises in Hajdú-Bihar County.



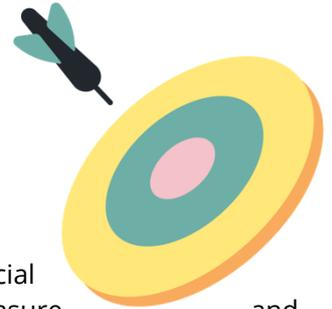
Balmaz Pasta provides an excellent example of solutions to reduce unemployment rates in rural areas. With local community co-operation, appropriate training and the committed attitude of the employees who want to participate, a long-term, regular income and successful business has been created.

Measuring the Social Impact

The social impact from Social Enterprises comes in many forms and includes:

- Job creation,
- social integration,

- service provision to disadvantaged communities,
- tackling social, societal and environmental challenges
- social capital and upskilling through volunteerism,
- improved local governance,



It is important for Social Enterprises to be able to measure and quantify their social impact so they can communicate to customers, service users, staff, volunteers and funders. When monitoring work and activities, Social enterprises should put in place systems to collect data and measure outputs and monitor KPIs. Examples include number of people/customers supported, number of food products produced or number of meals served.

It is important that customers and service users also fill out surveys and feedback forms to establish a feedback loop to staff, volunteers & management can identify opportunities improving services or products.

https://www.wheel.ie/sites/default/files/media/file-uploads/2018-07/KnowingandShowingYourImpactandOutcomes_Final_0.pdf

Storytelling

During the Local Food Chains Social Economy Missions, it was identified during Focus Groups and during Workshops that storytelling an important tool for Social Enterprises to connect with their customers/users. This is particularly true when businesses are communicating

was When you are getting underway, you will always get asked about what you do or how you complex international, environmental, or societal issues, as people can relate more to a personal journey rather than an issue that may not affect them.

As demonstrated by stakeholders in this Social Economy Mission, Storytelling can be communicated in many different forms:

- Verbal communication/story telling on-site with staff/volunteers and customers/users
- Through stories and testimonials on websites
- Social Media Channels
- Videos – On website, YouTube or through Social Media
- Press Releases in local or national media



Case Study:

Edible Landscape Project



The Edible Landscape Project (ELP) is a social enterprise based in Westport, Co Mayo, that has devised a novel way to encourage more people to grow and consume food in an environmentally sustainable way.

The project demonstrates and teaches people how to make climate smart food choices. Using a wide range of techniques, from the art of storytelling to tree planting, the project aims to mobilise consumers to transform the marketplace to a global, sustainable food system. The ELP utilises videos on Social Media and YouTube as a storytelling method to connect with their followers and gain new followers.

- Further development of a supportive financial infrastructure—e.g., expand remit of public funds, research and develop new finance options (impact investment, venture philanthropy, social impact bonds) and utilise applicable EU funds to support the development of social enterprise.
- Development, and implementation, of appropriate systems of social impact and performance measurement.
- Utilising digital technology and online services to make operational efficiencies and to connect with customers and stakeholders

Case Study:

Sustainable Hosman (Sibiu, Romania)

Sustainable Hosman is an independent, non-profit organisation and a rural initiative,

in which members seek to contribute to a future of sustainability and tolerance through local cultural and agricultural initiatives



"From Hârtibaciu with love", is their brand, promoting the products and services of the Hârtibaciu area. The products are either food or handcrafted, artisanal products. The main purpose of the "From Hârtibaciu with love" brand is to easily differentiate the products from the Hârtibaciu region and to have them easily recognised by consumers.

Trends and future challenges

During workshops and Focus groups held as part of Local Food Chains SEM, project partners worked with stakeholders to try and understand the trends and future challenges facing social enterprises and entities operating in the food chain.

Project partners also reviewed country reports on the Social Economy for Ireland, Romania and Hungary and noted the following trends and challenges:

- Changing customer choices and behaviours to ensure they choose locally grown food options
- Increasing consumer knowledge about the societal, economic, and environmental benefits of short food supply chains.
- Continue building awareness of social enterprises and their social impact.
- Capacity building and upskilling of staff and volunteers
- Improve capacity for public procurement—e.g., encourage collaboration with commercial enterprises, and capacity building within the social enterprise sector to engage in competitive tendering processes.

Support Networks

Network of Support for Social enterprises

Ireland:

- Social Entrepreneurs Ireland <https://socialentrepreneurs.ie/>
- Rethink Ireland <https://rethinkireland.ie/>
- The Wheel <https://www.wheel.ie/>
- The Irish Social Enterprise Network <https://www.socent.ie>

Romania:

- RISE Network <https://riseromania.ro/en/home>

Hungary:

- OFA National Employment Nonprofit Ltd. - <https://ofa.hu/>



- Impact Hub Budapest - <https://budapest.impacthub.net/>
- National Alliance of Social Co-Operatives (NAoSCo - SzOSzöv) <http://szoszov.hu/>
- University of Debrecen Faculty of Economics and Business - <https://econ.unideb.hu/en>
- Nonprofit Enterprise and Self-sustainability Team, Inc. (NEeST) - <https://www.nesst.org/magyarorszag>
- Delfin project - Hajdú-Bihar County Government - <https://www.interreg-central.eu/Content.Node/Delfin.html>

