Impact Evaluation of Social and Environmental Voluntary Standard Systems (SEVSS): Using theories of change



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1. Introduction

As part of the DFID funded project 'assessing the poverty impact of voluntary social and environmental standards' we have been developing an appropriate methodology to fit the overall objective and key research questions which the project is seeking to address.

In 2009 we produced a paper which set out our conceptual and methodological framework¹. In this paper it was explained how we intended to approach a poverty impact assessment of social and environmental voluntary standards. This approach draws on previous NRI experience in conducting impact assessment of ethical and fair trade schemes and of corporate codes of practice. In this paper we seek to explain further how the methodology has developed – particularly in terms of the use of theories of change².

2. Using theories of change in trade standards impact evaluation

Theories of change or (TOC) have been used in relation to private standards and codes in the past. In 2009 an impact chain was produced for a review of the literature on the impact of Fairtrade³ (reproduced below from Nelson and Pound 2009, p38). When embarking on the study for DFID it became clear that it would be necessary to develop TOC for the different standards, because these had not, as yet, been clearly articulated by the most of the important voluntary standards. Following the development of the ISEAL code of good practice (2010)⁴, which stipulates the need for standards to develop their own TOC, most of the standard bodies are now engaged in exactly this process.

We are publishing our theories of change diagrams to contribute to the on-going discussions amongst standard bodies and researchers about theories of change in relation to voluntary standards.

¹ Nelson, V. and A. Martin, C. Barahona, B. Pound and C. Coote (2009) 'Assessing the poverty impact of voluntary sustainability standards: a Conceptual and methodological framework'. This paper is available at: www. nri.org...

² 'Theories of change' is an increasingly widely used tool in development circles. In our 2009 document we used the term 'impact chain' which is really the same concept.

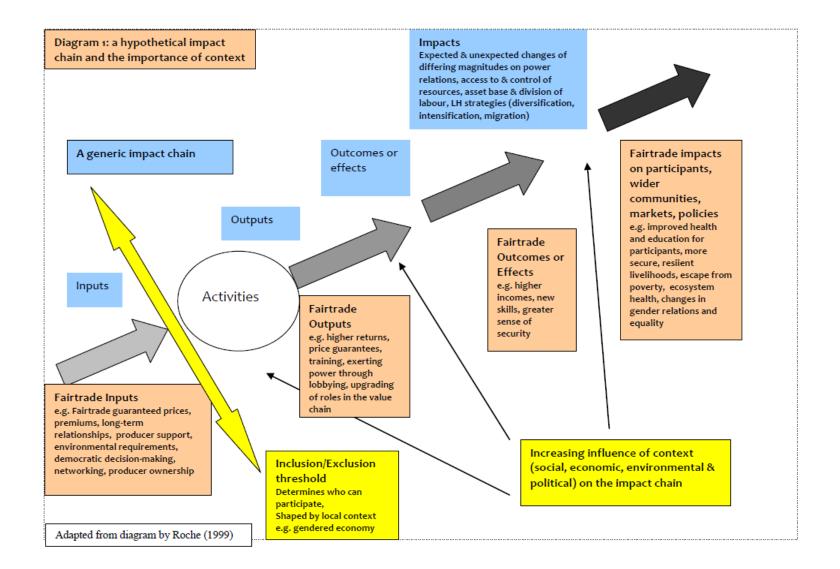
³ Nelson, V. and B. Pound (2009) 'The last ten years: A comprehensive review of the literature on the impact of Fairtrade'/. This is available at:

http://www.fairtrade.org.uk/includes/documents/cm_docs/2010/n/2_nri_full_literature_review_final_ve rsion.pdf

4 ISEAL (2010) Assessing the Impacts of Social and Environmental Standards Systems v1.0 ISEAL

Code of Good Practice,

http://www.isealalliance.org/sites/default/files/P041_ISEAL_Impacts_Codev1.0.pdf



3. Using theories of change in our DFID project

The objective of the DFID project is to 'systematically examine the impact of voluntary social and environmental standards on poverty and livelihoods, particularly for the most disadvantaged workers and producers in developing countries'. This is a four year, longitudinal impact assessment. The study is using the more specialized definition of impact, which is about assessing the *magnitude* of the change that is *attributable* to the effect of a programme or intervention. This kind of impact evaluation requires the construction of counterfactuals where feasible – although it does not hold that this necessarily means questionnaire surveys as the only or primary method of choice (see NRI working paper 2 that is forthcoming). However, in this paper in discussing impact chains and theories of change we are referring to a slightly broader interpretation of impact that can include before and after comparisons for example of changes and may have more of a learning orientation.

In early 2010 the following diagram was produced as part of the process of developing baseline studies (which will not be published until the end of the project). This shows a generic TOC for different trade standards. Standards are more than the contents of the standard documents, but should be seen as *systems*, (hence our use of the term SEVSS – or Social and Environmental Voluntary Standard Systems) involving different kinds of inputs (e.g. Fairtrade provides producer support, has trader as well as producer standards, supports producer networks. Rainforest Alliance has the Sustainable Agriculture Network (SAN) sustainable agriculture standards, but also provides capacity building to enable producers and companies to comply).

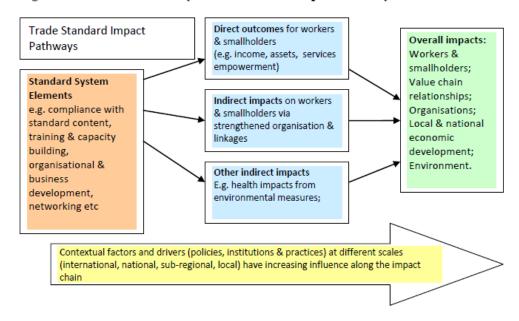


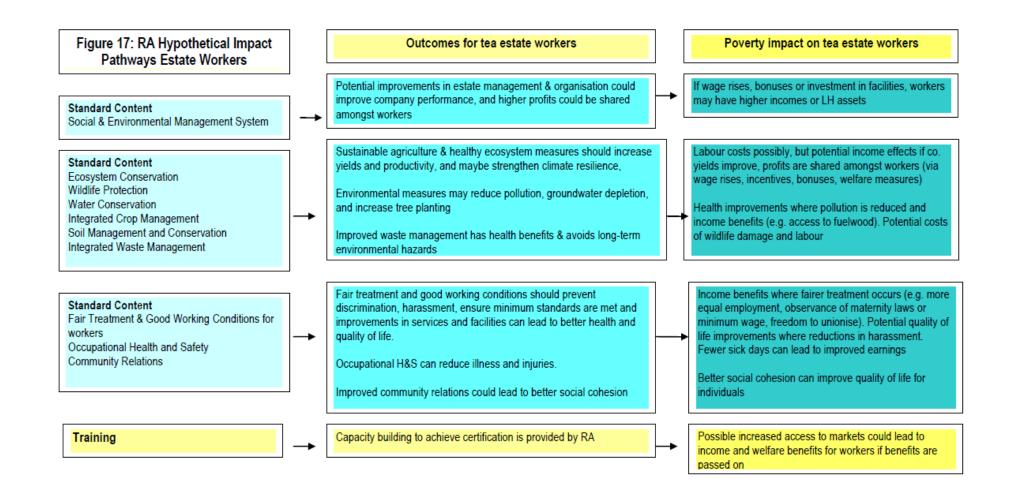
Figure 16: Generic Voluntary Trade Standard Impact Pathways

The FLO Eberhart and Smith (2008⁵) methodology does indicate both avenues of impact and areas of impact, but did not clearly set out the linkages between them or provide guidance for researchers to do so. Four avenues of impact of Fairtrade, namely the producer standards, trade standards, organisational development and capacity building and networking are outlined. The authors also indicate that there are different areas of impact (changes in: social differentiation; socio-economic status of participants; organisation of rural areas; organisation of small producers/workers; level of local, regional and national development; and in the management of natural resources). While the framework is extremely useful in systematizing and developing previous studies on Fairtrade impact in terms of the types of inputs on which Fairtrade is based, and in identifying a range of potential final impacts, it does not lay out the series of steps that might lead inputs to create impacts. Nor is there any guidance as to how to use these dimensions in fieldwork.

In further developing our research methodology we have produced hypothetical theories of change diagrams – adapted to the different contexts and commodities. These diagrams help to indicate how different standard systems may create impact in interaction with the institutional context. The diagrams from the Kenya baseline study are reproduced below, to encourage comment and to inform the on-going discussions within standard bodies.

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⁵ Eberhart, N. and Smith S. (2008) A methodological guide for assessing the impact of Fairtrade' prepared for FLO international



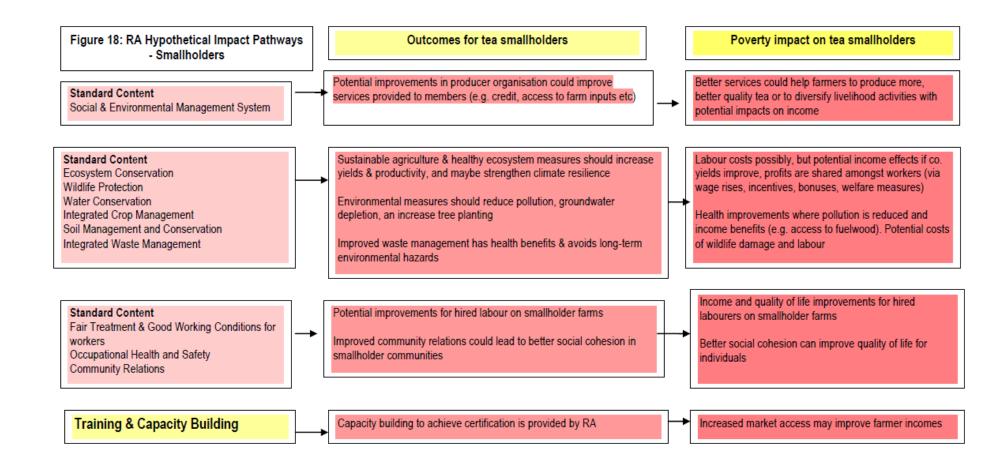


Figure 19: FT Hypothetical Impact Pathways -Poverty impact on tea SHs & POs Outcomes for tea smallholders & POs Smallholders FLO system inputs in impact chain: tea smallholders Income impacts from better services to help FLO Producer Standards farmers to produce more, better quality tea. Social Development: Potential improvements in producer organisation could improve services Social development plus Diversification of LH activities may provided to members (e.g. credit, access to farm inputs etc) Fairtrade adds to development: Members are small increase income, but impact depends on how Focus on smallholders may enable disadvantaged producers to participate in Fairtrade more & producers: Democracy - profits should be equally distributed among the producers and members should more equitable decision-making in the More democratic organisation & transparency in decision-making could contribute to have a voice and vote in decision-making process: Nonorganisation empowerment of women & marginalized groups & more equitable distribution of impacts discrimination more small farmers benefit Observance of non-discrimination may have positive gender/social difference impacts Socio-economic development Environmental criteria have health benefits. Socio-economic development: More democratic decision-making on premium could lead to Fairtrade premium: plus possible changes in vields, but labour more equitable impacts Economic strengthening of the organization More financially stable organisation potentially, possibly leading to increased size of membership, Environmental development Improvements in hired labour working better service provision to members (e.g. including credit provision, farm inputs etc) Impact assessment, planning and monitoring; conditions may improve their quality of Environmental development: Sustainable agriculture and healthy ecosystem measures should Agrochemicals; Waste; Soil and water; Fire; Genetically lead to higher yields, more climate resilience & so higher productivity for companies, plus health Modified Organisms): benefits for smallholders Labour conditions (Employment policy, Freedom from Labour conditions: are these applied to hired Ls? discrimination: Freedom of labour: Freedom of association Higher incomes and/or more stable incomes & collective bargaining: Conditions of employment: Premium investments could improve Occupational H.&S). education, health, & incomes Trade Standards Escape cash flow traps could increase income FT MP may improve returns for individual producers and/or stability of income Depending on use of the FT premium, may provide individual payments to farmers or investment Better social cohesion can improve quality of Trade standards life for individuals in agricultural production and higher yields and thus income, and in IGAs, education, health Fairtrade Minimum Price 1.50\$/kg of made tea HH food insecurity could affect health Potential for better cash flow enabling farmers to escape trap of having to sell at a low price and Differential payment for organic tea (0.2\$/kg) may create collective mechanisms for reducing cash flow problems Fairtrade Premium Focus on export crops could affect household food security Long-term trading relationship Higher prices & sales on speciality and other Advance payment Org. & Business Development markets could increase farmer incomes Change in farmer knowledge of value chains, of FT, & market opportunities. Farmers gain confidence, better services and Farmers may gain greater confidence & organisation has greater legitimacy, structuring effects, social cohesion contributing to quality of life Organisational support, business development & ability to deliver services, contribute to social democracy and cohesion, contribute to higher level Stronger., more resilient, legitimate & capable networking farmer organisations, efficient and transparent organisation management etc. organisations, more stable trading relations Improvements in long-term and diversified trade relationships, access to other conventional and encourage investment specialty markets, ability to get higher prices may increase and to develop other partnerships, More political influence of orgs, and better and engage in advocacy. . Potential dependency on privileged markets, New partners for representation of farmers at national and Intl implementation & advocacy, learning opportunities levels. Potential restructuring of global trade. food sovereignty affected?

Figure 20: FT Hypothetical Impact Pathways, Workers

Outcomes for tea estate workers

Poverty impact on tea estate workers

FLO Producer Standards Social development

Fairtrade adds to development; Members are small producers; Democracy – profits should be equally distributed among the producers and members should have a voice and vote in decision-making process; Non-discrimination

Socio-economic development

Fairtrade premium:

Economic strengthening of the organization

Environmental development

Impact assessment, planning and monitoring; Agrochemicals; Waste; Soil and water; Fire; Genetically Modified Organisms);

Labour conditions (Employment policy, Freedom from discrimination; Freedom of labour; Freedom of association & collective bargaining; Conditions of employment; Occupational H.&S).

Trade standards

Fairtrade Minimum Price 1.50\$/kg of made tea Differential payment for organic tea Fairtrade Premium Long-term trading relationship Advance payment

Organisational support, business development & networking

Social Development

Potential improvements in producer organisation could improve services provided to members (e.g. credit, access to farm inputs etc)

Focus on smallholders may enable disadvantaged producers to participate in Fairtrade more & share in its benefits

More democratic organisation & transparency in decision-making could contribute to empowerment of women & marginalized groups & more equitable distribution of impacts Observance of non-discrimination may have positive gender/social difference impacts Socio-economic development: More democratic decision-making on premium could lead to more equitable impacts

More financially stable organisation potentially, possibly leading to increased size of membership, better service provision to members (e.g. including credit provision, farm inputs etc)

Environmental development: Sustainable agriculture and healthy ecosystem measures should lead to higher yields, more climate resilience & so higher productivity for companies, plus health benefits for smallholders

Labour conditions: are these applied to hired Ls?

Trade Standards

FT MP may improve returns for individual producers and/or stability of income
Depending on use of the FT premium, may provide individual payments to farmers or investment
in agricultural production and higher yields and thus income, and in IGAs, education, health
Potential for better cash flow enabling farmers to escape trap of having to sell at a low price and
may create collective mechanisms for reducing cash flow problems
Focus on export crops could affect household food security

Org. & Business Development

Change in farmer knowledge of value chains, of FT, & market opportunities.

Farmers may gain greater confidence & organisation has greater legitimacy, structuring effects, ability to deliver services, contribute to social democracy and cohesion, contribute to higher level farmer organisations, efficient and transparent organisation management etc Improvements in long-term and diversified trade relationships, access to other conventional and specialty markets, ability to get higher prices may increase and to develop other partnerships, and engage in advocacy. Potential dependency on privileged markets, New partners for implementation & advocacy. Learning opportunities

Income impacts from better services to help farmers to produce more, better quality tea, plus Diversification of LH activities may increase income, but impact depends on how invested

more equitable decision-making in the organisation

more small farmers benefit

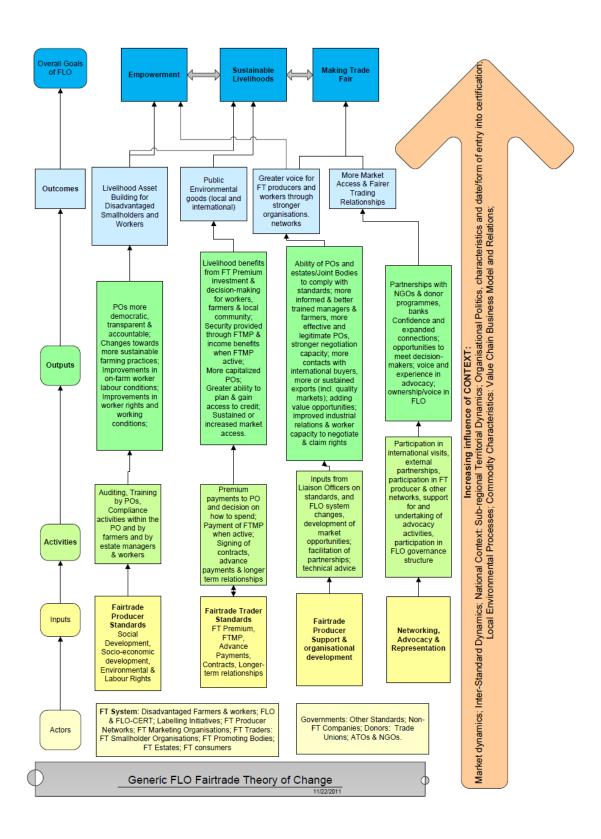
Environmental criteria have health benefits, plus possible changes in yields, but labour costs

Improvements in hired labour working conditions may improve their quality of life/incomes

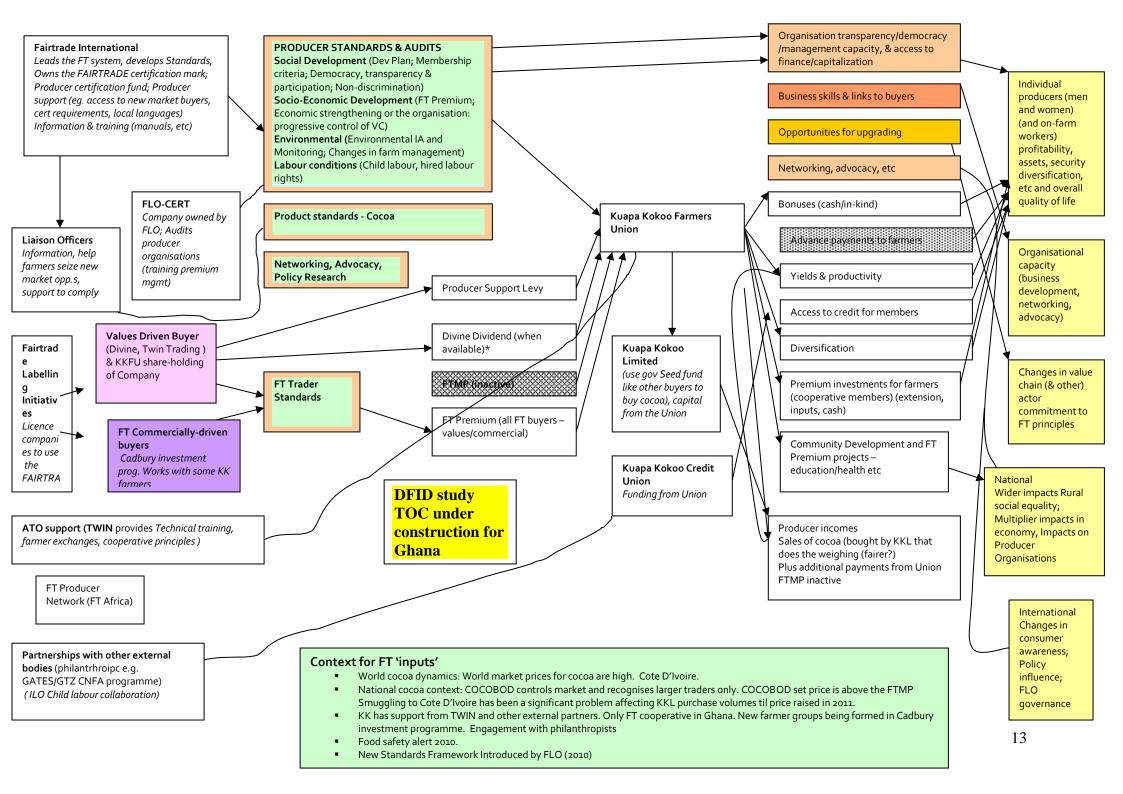
Higher incomes and/or more stable incomes
Premium investments could improve
education, health, & incomes
Escape cash flow traps could increase income
Better social cohesion can improve quality of
life for individuals
HH food insecurity could affect health

Higher prices & sales on speciality and other markets could increase farmer incomes
Farmers gain confidence, better services and social cohesion contributing to quality of life Stronger, more resilient, legitimate & capable organisations, more stable trading relations encourage investment

More political influence of orgs, and better representation of farmers at national and Intl levels. Potential restructuring of global trade. A further diagram has recently been produced which further develops ideas on the contextual factors shaping impact, and which also identifies the key FT actors involved (although other actors are also important and could be mapped in such a diagram).



The diagram produced below is an early draft from the Ghana study of a Fairtrade cooperative and its theory of change. This is based on numerous discussions with the managers of KKL, and key informants such as the FLO liaison officer etc. It is not yet a findings diagram – we will not publish these until 2012 when field data gathering has been fully concluded.



4. Conclusion

Our aim in developing these theories of change diagrams is to guide our field research design and to use as a framework against which we can evaluate impact of diverse standard systems. It is useful to develop theories of change for different standard systems, because this helps to crystallize the differences in how they seek to effect change. Working this through logically helps to identify the impact chain – although they may vary depending, for example, on the type of impact that is being evaluated. Rainforest Alliance is primarily a sustainable agriculture standard, which has incorporated social standards over recent years. Fairtrade is a social justice standard, which has increased its environmental provisions.

Assessing the full economic, social and environmental impact of standard systems is a big undertaking and many studies focus on a narrower subset of dimensions. In this study we are assessing poverty impact, although taking a broad livelihood and empowerment definition rather than a narrow income based one. Other studies might seek to assess the particular impact of one input (e.g. reduced pesticide use) or focus on one dimension of impact (e.g. environmental, costs and benefits). A poverty impact assessment requires looking at socio-economic impacts, but also at how environmental impacts affect the farmer or workers' health and livelihoods. In other words we are not attempting to measure environmental impact, but we are seeking impact data on how standards are shaping health and livelihood impacts at the local level.

It is also worth remembering that standard systems will change. This is a dynamic field and the input element of a standard may change. For example, within the period of our DFID research FLO has introduced several changes, including the introduction of the New Standards Framework, which is already shaping inputs in Ghana. These types of changes may be more or less radical, but are important to track. Further, this point reminds us that TOC diagrams are first and foremost a tool for learning about and measuring impact. They may incorporate biases depending upon who produces them. It is important to allow TOC to develop and be adapted over time. They are not set in stone and often, when used in a participatory manner, can help to stimulate debate and to instil an 'impact culture'. TOC diagrams cannot in and of themselves lead to improvements – this requires uptake of the findings of the lessons emerging from evaluations and impact studies. But they do provide the opportunity to visualise and make transparent the objectives and mechanisms of standards, and provide a framework for discussion of actual impacts and different stakeholder perspectives on levels of progress.

During the baseline surveys we did discuss with managers of producer organisations and estate owners/managers how they perceive the standards to be having an impact, in some cases developing participatory diagrams. However, this can be a complex and time consuming task and requires good facilitation. It is likely that in the final survey round in 2012 we will further triangulate through participatory discussions with managers and workers/farmers, how they see the standard as having an impact and further develop TOC theories and diagrams to validate our conclusions.

While a linear layout is more likely to imply reductionist logic than a circular one, it is as much about how TOC's are developed and how they are used that matters. The level of complexity that can be portrayed in one diagram will also vary with purpose, the audience and the familiarity and position of those producing the diagram; too stripped down and it may become too simplistic and be unhelpful; too complex and a TOC diagram may become mystifying rather than revealing.

Participatory discussions using post-it notes can be more flexible allowing the rearrangement of inputs, outputs, impact boxes, and allowing for different linkages to be identified between them with arrows. Hypothetical TOC tend to be more systematized, but perhaps lose some aspects of interactions and linkages.

It is critical that the full range of contextual factors shaping impact are retained within TOC formulations and efforts made to reflect the actors that are competing, collaborating and interacting in producing outcomes and impacts. For example, the differences between types of value chain (commercially driven, quality driven, or mission driven) could be further represented.

In using the TOC as a tool against which to measure impact, other innovations are possible such as indicating magnitude (using a code ++, +, -) of impact. A series of different TOCs could be produced by different social groups in participatory research to explore the differentiated distribution of impacts along lines of gender or social difference. Hypothetical TOCs and TOCs depicting findings can also be produced focused on specific social groups.

A further working paper will be produced very shortly presenting critical reflections on the impact evaluation debate and on the uses of theories of change.

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