

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

Working Paper No. 1



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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.

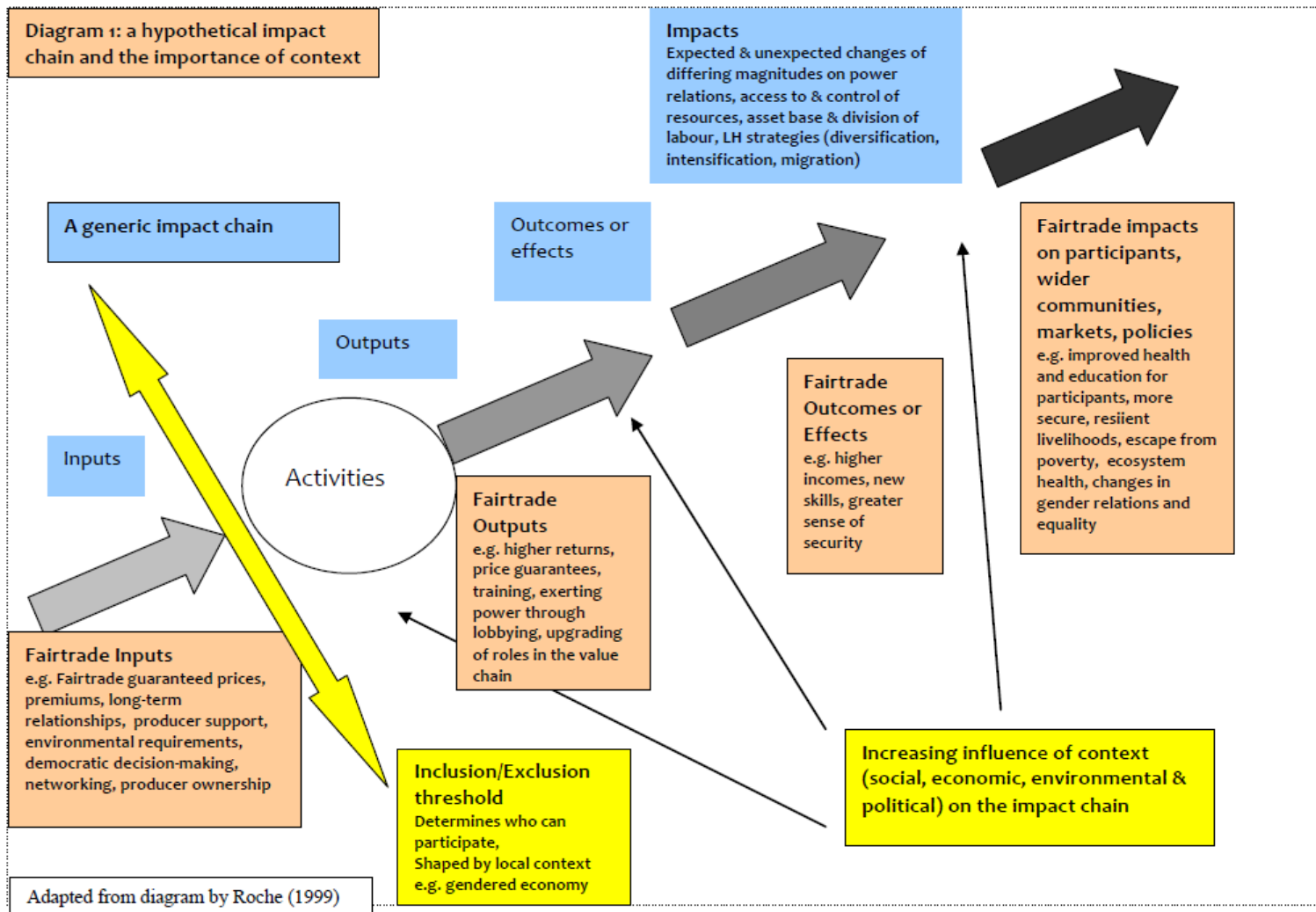
We are publishing our theories of change diagrams to contribute to the on-going discussions amongst standard bodies and researchers about theories of change in relation to voluntary standards.

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_version.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

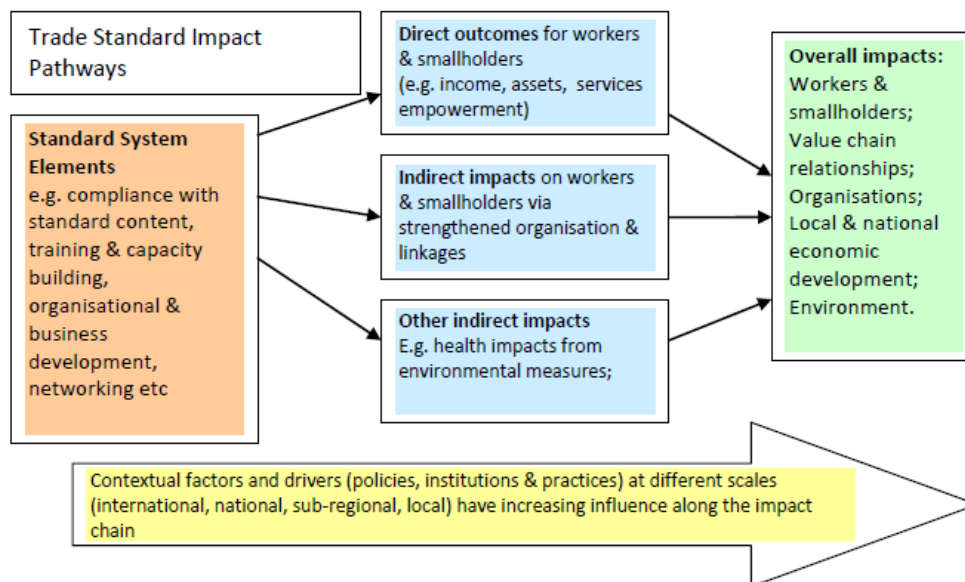


3. Using theories of change in our DFID project

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

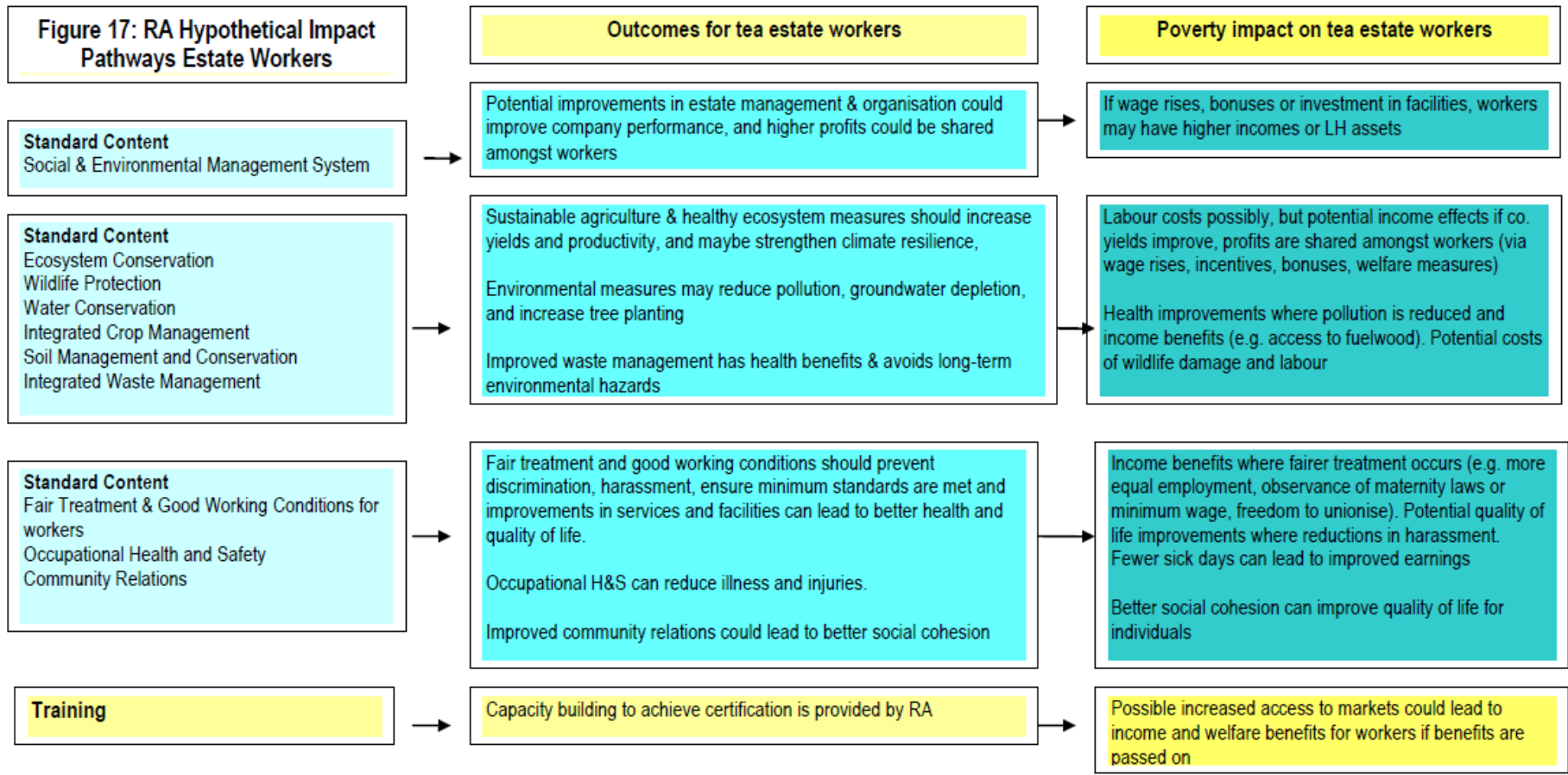


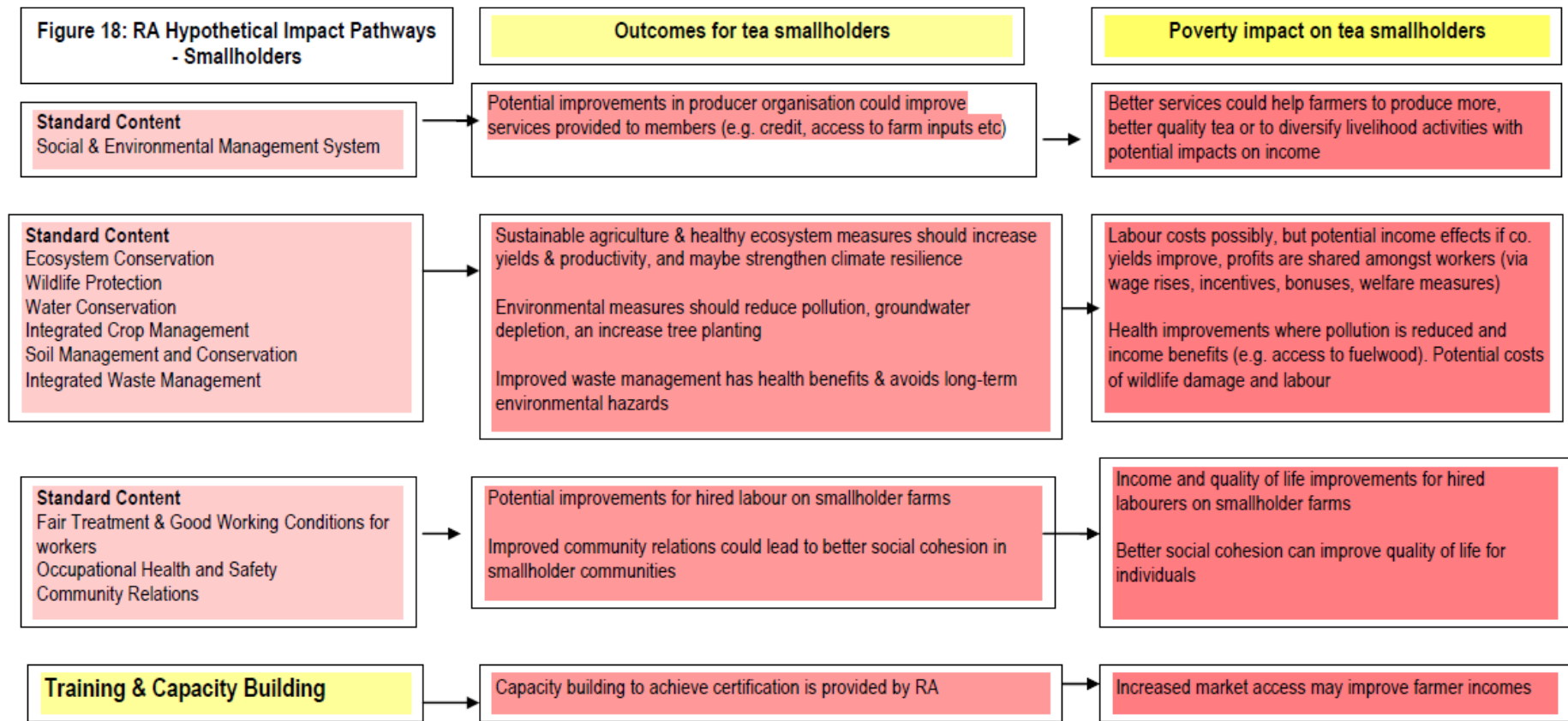
The FLO Eberhart and Smith (2008⁵) methodology does indicate both avenues of impact and areas of impact, but did not clearly set out the linkages between them or provide guidance for researchers to do so. Four avenues of impact of Fairtrade, namely the producer standards, trade standards, organisational 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.

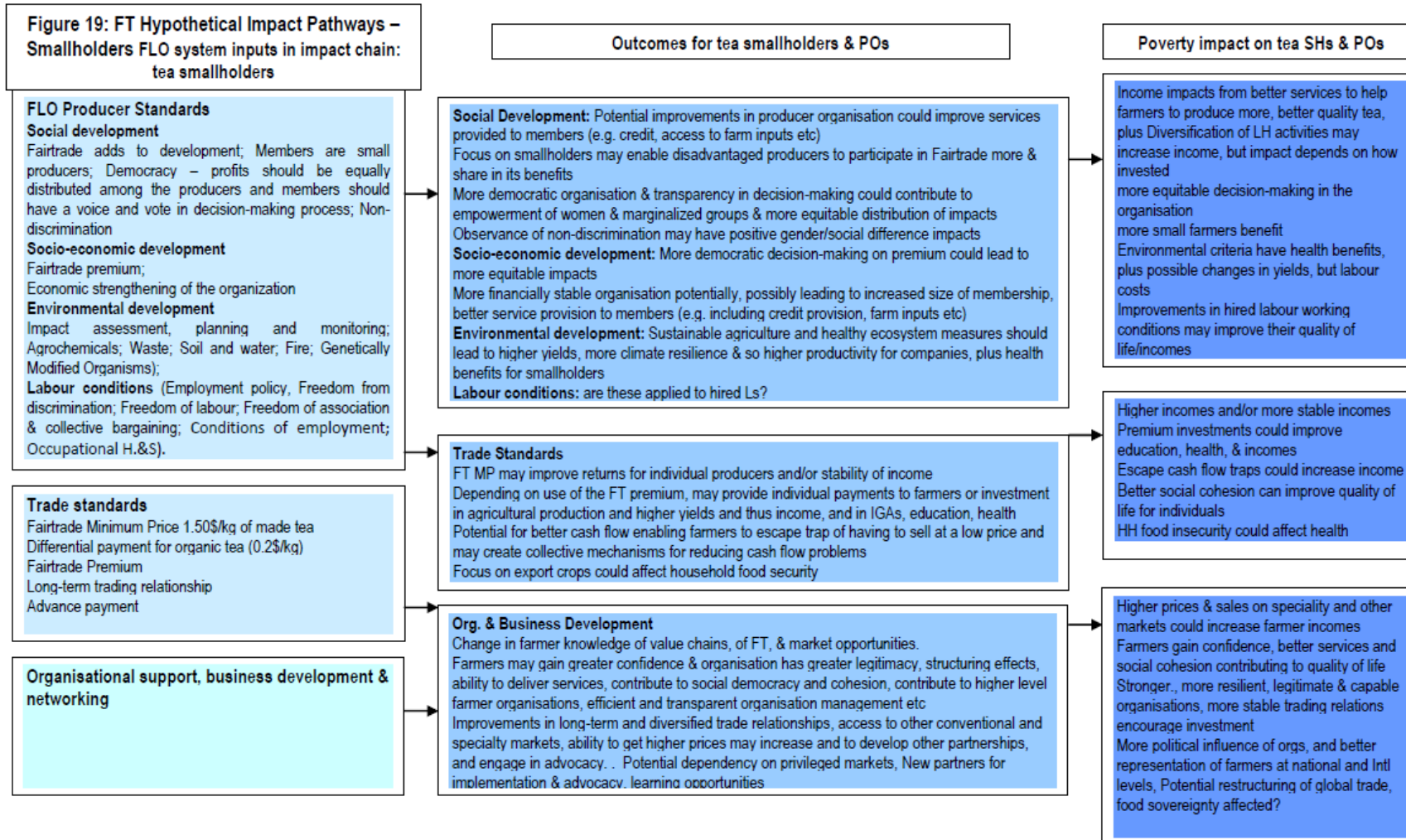
In further developing our research methodology we have produced hypothetical theories of change diagrams – adapted to the different contexts and commodities. These diagrams help to indicate how different standard systems may create impact in interaction with the institutional context. The diagrams from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

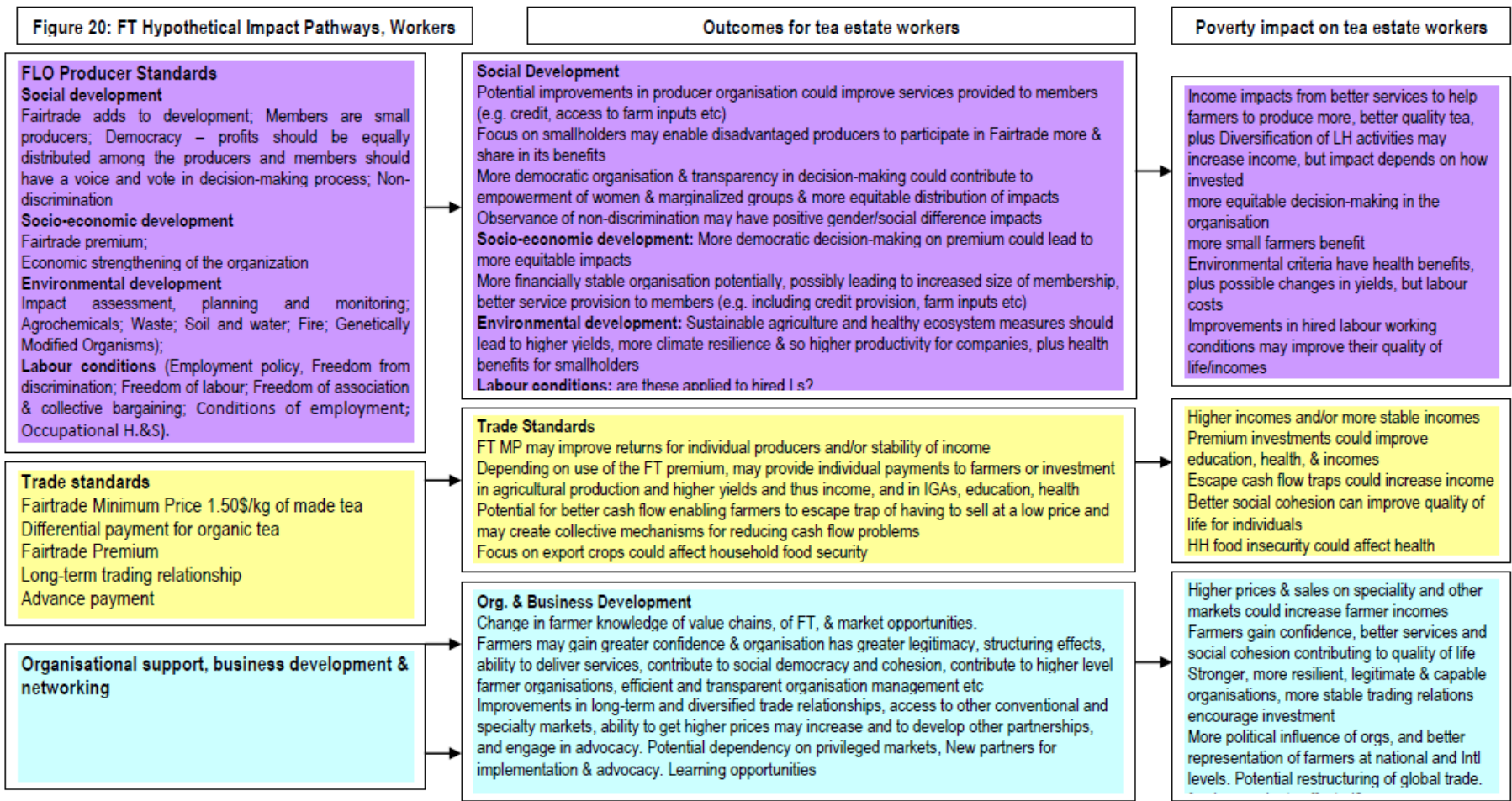
⁵ Eberhart, N. and Smith S. (2008) _A methodological guide for assessing the impact of Fairtrade_ prepared for FLO international

Figure 17: RA Hypothetical Impact Pathways Estate Workers

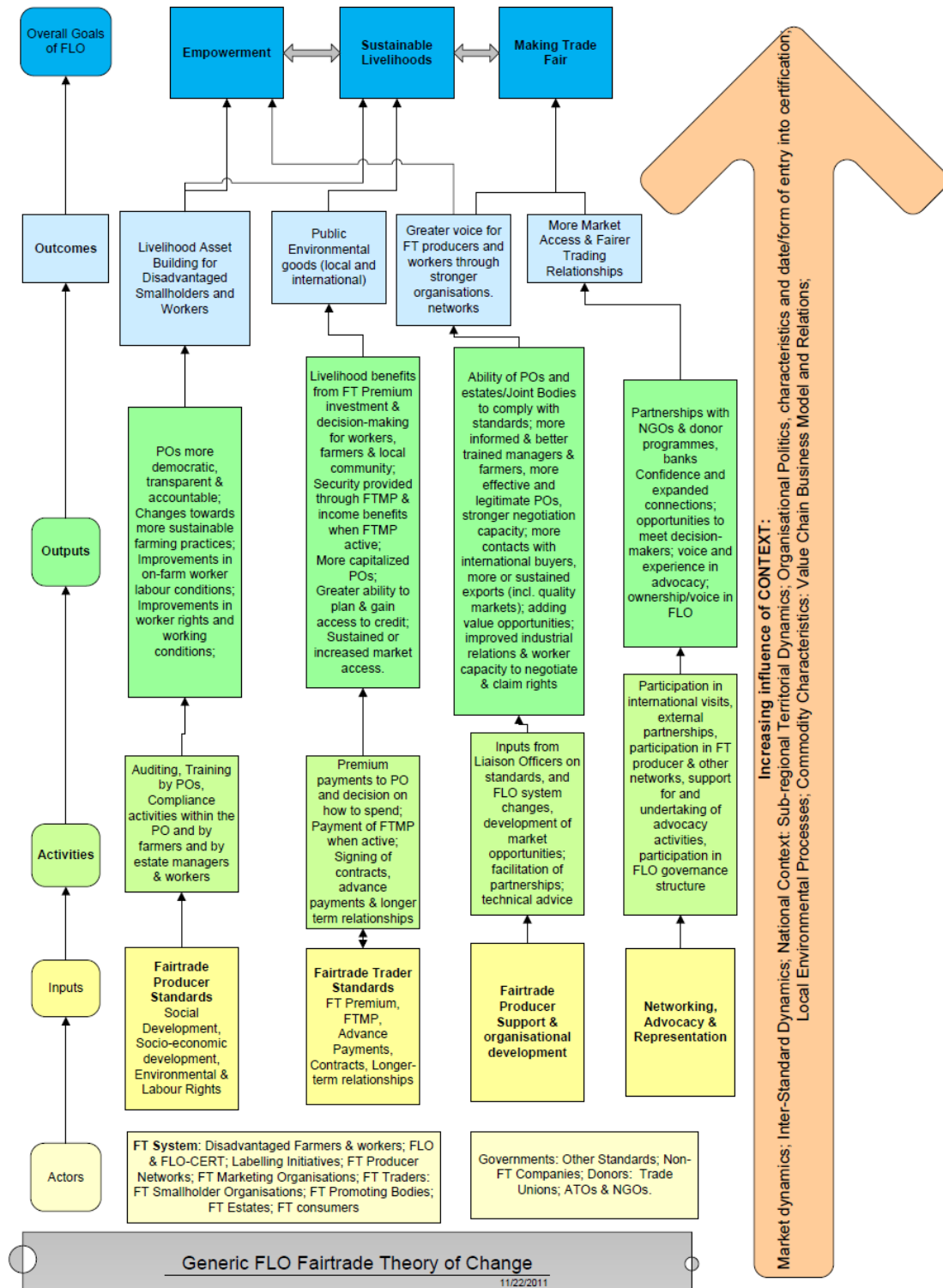




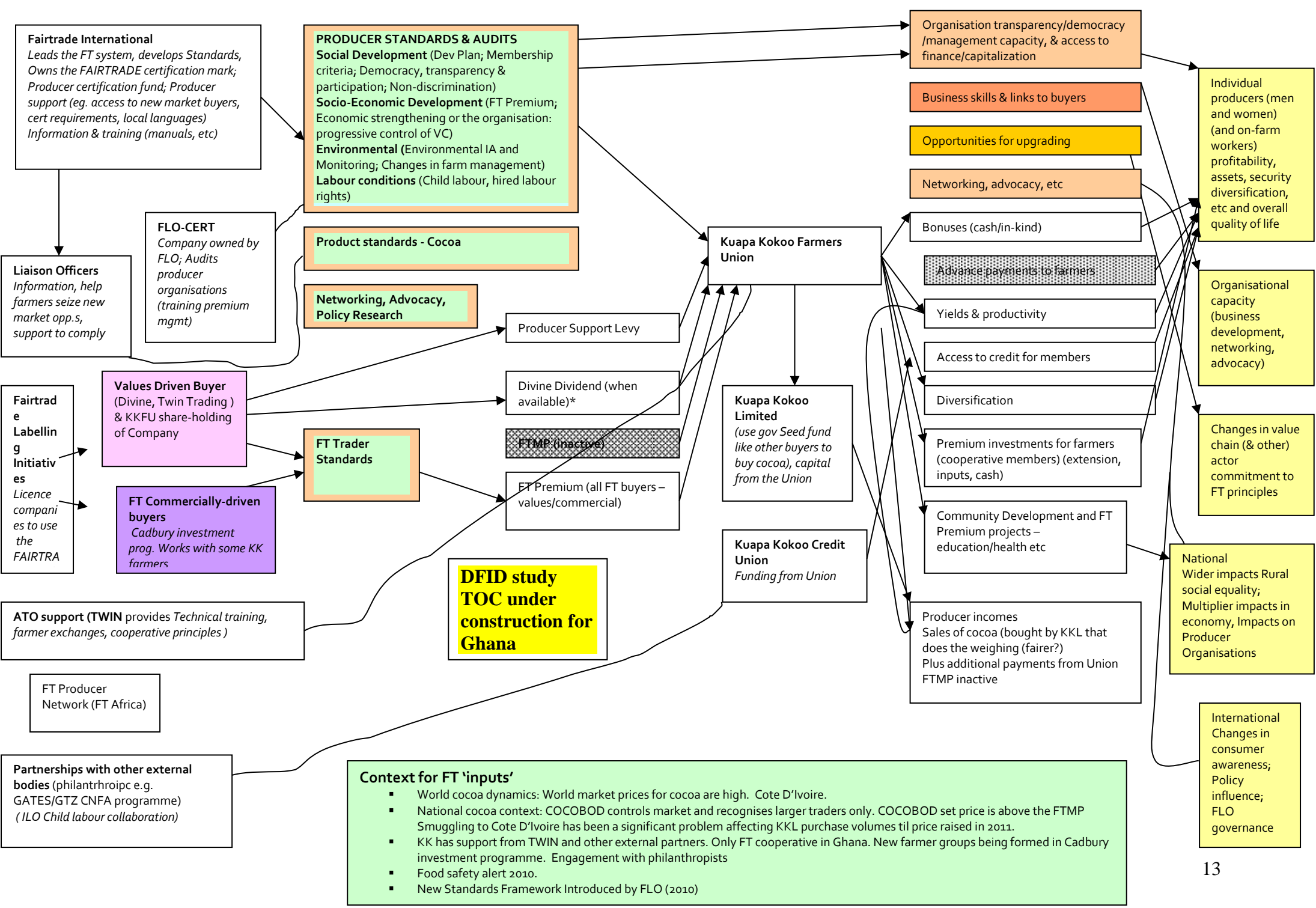




A further diagram has recently been produced which further develops ideas on the contextual factors shaping impact, and which also identifies the key FT actors involved (although other actors are also important and could be mapped in such a diagram).



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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