MONITORING AND EVALUATION SYSTEM

Public M&E System Report, Version 3.1

15 January 2017

Submitted for compliance with ISEAL Impacts Code v2





UTZ

Better farming
Better future

1. Scope and boundaries of the UTZ M&E system

The M&E system monitors at a global level the commodities/sectors for which UTZ offers certification (cocoa, coffee, tea, Rooibos, Hazelnut) and traceability services (palm oil). In the sectors where UTZ offers certification, we monitor at producer level as well as at supply chain level. In the sectors where UTZ only offers traceability services, we only monitor at supply chain level (e.g. traded volumes).
In terms of issues, the scope of the M&E system is in line with the scope of the UTZ program, which is reflected in the M&E framework (see annex 1). The M&E framework reflects the specific issues the UTZ program covers, the long term goals, desired impacts, expected outcomes and the strategies that we use to achieve them. It has been used as the basis to develop our Theory of Change, which makes explicit *how* we expect our strategies will lead to the expected outcomes and impacts (causal pathway).

In 2016 UTZ started the implementation of the Sector Partnerships Program in collaboration with the Dutch Ministry of Foreign Affairs and local partners. The goal of this new program is to contribute to inclusive growth and mainstreaming of sustainable farming in coffee, cocoa and tea in 7 countries, with the active participation of civil society organizations (CSOs). The program document contains a generic Theory of Change (ToC) laying out the impact pathways for the program. Additionally, country specific ToC's were developed for 6 themes in the countries covered by the program. The thematic ToCs cover child labour; living wage, productivity, producer group strengthening, climate change and gender. Based on specific ToC's, 6 general key pathways/strategies have been identified. These pathways allow for strategic learning as well as reporting on program level. Our program monitoring indicators and learning and evaluation questions are linked to these 6 pathways. The Sector Partnerships Program means that UTZ has expanded the scope of the M&E system beyond certified farmers and supply chain actors to include CSOs, companies and governments. It also requires paying attention to measure changes on policy level, CSO capacity and improvements in the level of service provision to farmers. Additional data collection systems and evaluation methodologies are being developed accordingly.

In 2016 UTZ started the innovative First Mile (1M) program. The 1M program aims to digitalize farm level data in order to improve farm practices, farm group management and licensing. Three pilots have started in Ivory Coast, Indonesia and Turkey. The data collected through the 1M program will be linked to the M&E system. A new position of data analyst 1M has been created in the M&E department.

Similarly, in 2016 UTZ organised data collection on CocoaAction productivity indicators for Nestle. Data collection was done by the certification body Bureau Veritas in Ivory Coast in combination with the UTZ audit. UTZ prepared the data collection tools, trained the surveyors, cleaned and analysed the data. For UTZ the experience with CocoaAction data collection provides important lessons in the area of performance measurement. A new position of M&E officer for customized services has been created in the M&E department.

In terms of reach, the UTZ monitoring system (level 1) covers the full reach of the program. Thematic and impact studies are geographically focused on a number of countries. The choice of countries is based on their relevance for the UTZ program (e.g. major producing countries, critical issues, knowledge gaps) and optimal geographical spread over several years. They are also focused on specific evaluation questions.
Not every issue defined in the M&E framework needs to be monitored, and not every causal relationship in the Theory of Change can be tested. The M&E budget and work plan also has some 'free space' for inquiries outside the M&E focus areas, e.g. into emerging issues.

2. Roles and responsibilities

Since 2012, the capacity of the UTZ M&E team increased significantly. The capacity of the M&E staff in 2017 amounts to 7.9 FTE. The M&E budget is 5% of total UTZ budget in 2017. We are confident that we have sufficient resources and capacity to implement our M&E system.

In 2016 there was a big change in M&E staff, partly due to organizational restructuring. The thematic experts on living wage (Noura Hanna) and climate change (Henriette Waltz) moved to the new Training and Themes department. Our commodity analyst (Marieke Lenders) moved to a new position in product management department. Tessa Witte-Laan took up a new role as M&E expert for the sector partnerships program.
Rens Rutten joined the M&E department in March 2016 to replace Tessa. Karen Reijnen joined the M&E department in August 2016 to organize CocoaAction data collection and develop customized services. Laybelin Dijkers joined in August 2016 as data analyst for the 1M program. In June 2016 Ha Phan started as a trainee. Fatema Baheranwala replaces data analyst Elisa Trepp, who is on temporary leave.

The composition of the team (functions and responsibilities) as of January 2017 is as follows:

Name	Function	Responsible for
Daan de Vries	Innovation & Technology Director	Responsible for innovation and technology pillar, part of the Executive Team
Peter Konijn	M&E Manager	• Manage and lead the M&E department; control budget & year plan • M&E vision & strategy; Organizational Learning • Oversee the development and implementation of UTZ's M&E system • Represent the M&E department at UTZ's Head of Departments and liaise with other departments
Henk Gilhuis	M&E Officer	• Overall M&E; lead on level 3 • Knowledge management • Research Partnerships • ISEAL compliance
Rens Rutten	M&E Officer	• Overall M&E; lead on level 2 • Theory of change expert
Johanna Rijkenberg	M&E Officer	• Commodity analyst; lead on level 1 • BI-tool and data warehouse
Tessa Witte-Laan	M&E Officer	• Overall M&E; lead on Sector Partnerships
Karen Reijnen	M&E Officer	• Organise CocoaAction data collection • Development of customized M&E services
Laybelin Dijkers	M&E Officer	• First Mile data analyst • Remote sensing expert
Elisa Trepp / (F. Baheranwala)	M&E Officer	• Data Analyst
Anne Dullemeijer	M&E Officer	• Data Analyst
Ha Phan	Trainee	• Data Analyst

A description of the expertise and background of each of the team members can be found on the UTZ website ('who is who' page). The M&E team can be contacted via ME@utz.org. A link with this email address is also available on the M&E Webpage[1][2].

3. Defining the Intended change

The Theory of Change is based on the UTZ M&E framework, which can be found in annex 1. The M&E framework is the backbone of the of the UTZ M&E system; it provides a clear description of the specific issues the UTZ program wants to tackle, the long term goals, the desired impacts, the expected outcomes and the strategies that we use to achieve them. The Theory of Change of UTZ is currently being revised because UTZ has expanded its strategies, such as influencing sector change. The revised ToC (draft) will be published in

[1] Cote d'Ivoire, Ghana, Central America, Indonesia, Kenya, Malawi, Uganda.
[2] https://www.utz.org/what-we-offer/measuring-impact

February 2017. This will also involve some changes in the UTZ M&E framework, which will also be adapted in the course of 2017.

4. Performance Monitoring

On the basis of the Theory of Change, our critical pathways and key evaluation questions have been identified. Based on these key questions, indicators have been selected for monitoring and evaluation. A list of indicators is available on the website[3]. For each of the indicators, a data collection protocol has been developed. The data collection protocol is available upon request.

The level 1 indicators are collected for all certificate holders. These indicators are integrated in UTZ systems and processes such as the online traceability system (Good Inside Portal) and audit process. UTZ collects data directly from producers at the time of their registration, and from certification bodies during the assurance process. Data that is collected through the assurance process is collected annually (in line with the audit cycle).

Since the launch of the new online traceability system (GIP) in 2011 for cocoa and in 2012 for Coffee and Tea, audit reports are being uploaded and processed in an online system, which enables us to collect audit data directly in the online database. Providing good guidance and information to Certifying Bodies is crucial for improving the quality of the data. Consultations take place with CB's to better understand the challenges and needs of the auditors to improve the data collection process. They were also consulted on the M&E questions included in the audit process. E-learning courses for lead auditors and field auditors are regularly conducted in the UTZ academy. This training is mandatory for all CBs that conduct audits against the code of conduct, and are also used for internal training of their field auditors. Checklists that integrate the M&E questions and guidance documents are available online to facilitate the data collection and reporting process.

In 2016 we prioritized five core indicators to improve benchmarking, data quality and extend our analyses. These prioritized indicators are: certified volume, certified farm size, premium payment and distribution, number of workers and multi-certification. The choice for these indicators is informed by our own analysis and by feedback from stakeholders.

5. Outcome and impact evaluations

UTZ regularly commissions impact studies to third parties. These impact evaluations take a multiannual perspective and usually start with a baseline survey, including whenever possible a control group, and primary data collection. Evaluations are decided upon by the UTZ executive management after internal consultations, considering needs, priorities and available resources. These decisions are integrated in yearly planning, budgeting and reporting cycles. The year plan has approval from UTZ' supervisory board.

One or two impact evaluations are undertaken every year, following a multiyear evaluation agenda intended to ensure consistency, learning and cross country/crops comparisons. In 2016 impact evaluations on tea in Sri Lanka and cocoa in Ghana were published, and two new impact studies were commissioned (to be implemented in 2017). Looking into the near future, our impact studies, which up to now have focused mainly on changes at farmer (group) level, will also include changes and dynamics in other levels of the value chain (e.g. producer organizations and relations between chain actors). With the growth and maturing of the level 1 data collection, UTZ has started to use level 1 data to inform choices regarding impact evaluations.

The terms of reference for evaluations are agreed upon in consultation with partners engaged in using the standard and scaling up the UTZ program, external researchers and other stakeholders. The scope, questions, methodology, deliverables and budget of evaluation studies are laid out in the terms of reference / requests for proposals, and subsequently refined in collaboration with researchers.

[3] https://www.utz.org/what-we-offer/measuring-impact/

Draft evaluation reports are validated with UTZ and other stakeholders, and checked against the terms of reference. Final reports of impact studies are made available on the UTZ website (M&E page)[4]. UTZ keeps the datasets for future referral and meta - studies.

By engaging with communities of practice, knowledge platforms and academic researchers UTZ actively shares knowledge and learns from practitioners and researchers who may be looking for answers to different questions than those of UTZ. This way UTZ also helps to shape the broader research agenda on voluntary standards. It also provides UTZ with a fresh outsider's perspective on our program, assumptions and practices.

6. Improving the effectiveness of the M&E system

In the development and improvement of the M&E system, external stakeholders are consulted. See previous M&E system reports for examples. On the M&E webpage, stakeholders are invited to give feedback on the M&E system documents, such as the M&E framework, indicators or Theory of Change, via (ME@utz.org). We also very much welcome feedback on this public report.

The collection, analysis and reporting of data for monitoring and evaluation purposes in UTZ is done in a planned and systematic way, following the planning and reporting cycle of UTZ. Daily operations are carried out by the M&E staff, who report to the M&E manager. The M&E manager reports to the Innovation & Technology director, who is a member of the Board of Directors. The Board of Directors reports to the Supervisory Board.

Throughout the M&E system, the following checks and balances operate at critical junctures to reduce bias and enhance impartiality:

- Seeking input from internal and external stakeholders before, during and after (evaluation) research is carried out
- The M&E year plan needs approval from the Board of Directors and Supervisory Board
- Terms of reference of specific M&E studies need approval from the Innovation and Technology Director
- The management response to specific M&E studies need approval from the Board of Directors
- Terms of reference, evaluation proposals, evaluations reports and management responses are published on the UTZ website, allowing external scrutiny

Learning and improving is an important goal of the M&E system. Learning is first and foremost the result of an organizational culture characterized by mutual trust, personal responsibility and the recognition that mistakes are part of any learning and innovation process. The following procedures are part of the M&E way of working, and are practiced to encourage learning at all levels of the organization.

- Stakeholder consultations (internal and external) and scoping trips in the planning stage of (evaluation) research enables us to identify problems and the learning questions behind problems;
- A "Digest group" of internal stakeholders is conveyed to jointly reflect on the findings and recommendations of each M&E research report, to draw conclusions and formulate follow up actions to be included in the management response that is published alongside each impact report.
- Results of M&E studies and key insights from performance monitoring are periodically shared and discussed inside UTZ at the bi-monthly "Strategy Café" meetings, allowing a broad participation.

The UTZ M&E department has the lead in implementing good Knowledge Management practices and supportive systems in the organization. We use the "knowledge ecosystem" approach, that considers knowledge management (KM) as a set of good practices supported by the management and an enabling environment (including ICTs, such as intranet and wiki), to make knowledge sharing a day to day working habit of all employees. The UTZ wiki has been rolled out to more departments as a toll and platform to store, retrieve and share information about ongoing work streams and expertise topics.

[4] https://www.utz.org/what-we-offer/measuring-impact/commissionedstudies/

The M&E department experienced a big change in staff in 2016 (see 2. Roles and responsibilities). To bring the new staff up to speed on the M&E system and UTZ as a whole we organized 4 introduction sessions of 2-hour each. These introduction sessions replaced the M&E improvement session of the years before.

7. Opportunities for engagement

Evaluation reports and management responses are published on the UTZ website (M&E page)[5]. The management response informs stakeholders about UTZ's view on the findings and conclusions, as well as the planned follow up measures. Impact reports and the management response are shared with all UTZ staff and with key stakeholders before publication. This allows stakeholders to give feedback on the findings and follow up, and to prepare their own response if needed. Each report includes an executive summary enabling readers to get a grasp of the main findings and conclusions without having to read the full report.

Stakeholders are invited (via this report and the website) to give feedback on evaluation reports and the M&E systems report. Feedback is also welcomed on the M&E system documents, particularly the intended impacts and outcomes (M&E framework), unintended effects and the scope and boundaries of the M&E system. Feedback and comments will be taken into account during the further development and implementation of the M&E system. Please contact us via ME@utz.org.

8. List of publically available M&E documents

1) UTZ Public System Report (available on website)
2) UTZ Theory of Change Info graphic (available on website)
3) Theory of Change detailed flowchart (available on request)
4) M&E Framework (available on website)
5) List of indicators (available on website)

All documents as well as the contact details for the M&E team can be found here:
https://www.utz.org/what-we-offer/measuring-impact

[5] https://www.utz.org/what-we-offer/measuring-impact/

Annex 1

UTZ M&E FRAMEWORK: DEFINING THE INTENDED CHANGE

The M&E framework explains the intended change of the UTZ program following the requirements of the ISEAL impacts code. It is a simplified version of the ToC that does not show the causal relations and the contextual factors that will influence the outcomes and impacts of the program

8.2 SUSTAINABILITY ISSUES (FARM):

1. Many farms are economically not viable due to poor farm management and unsustainable practices.
2. Many farmers are unable to make long term and informed business decisions, meet market demand, manage risks and adapt to changes.
3. Farmers, workers and their families often face unsafe and unhealthy living and working conditions.
4. Labor rights are often not adequately enforced and respected.
5. Farming often leads to depletion and contamination of resources like land, water, soil, forest, and biodiversity.
6. Farmers contribute to and face the challenges of a changing climate.
7. Low income and unattractiveness of farming may lead to future generations opting out.

8.1. LONG TERM GOALS:

1. Farmers implement good agricultural practices and manage their farms profitably, with respect for people and planet.
2. Industry invests in and rewards sustainable production.
3. Consumers can enjoy and trust the products they buy.

8.2 SUSTAINABILITY ISSUES (INDUSTRY/SECTOR):

1. Global population growth and pressure on land requires farmers to increase the per unit productivity of their land.
2. Companies that are willing to invest in sustainable sourcing face the challenge of efficiently reaching a fragmented supply base.
3. Only a limited percentage of consumers is willing to pay more for sustainably sourced products.
4. Sustainability programs have to be innovative and able to adapt to market dynamics, to face the challenge of converting mainstream supply chains.

8.3 DESIRED IMPACTS:

1. Farms are economically viable and resilient: they are better able to recover from and adapt to shocks.
2. Farmers who implement good farming practices with respect for people and planet are able to have a decent standard of living for themselves and their family; workers earn a living wage.
3. Farmers, workers and their families enjoy better health.
4. Children of farmers and farm workers go to school.
5. Natural resources are safeguarded for future generations.
6. Green House Gas emissions per unit of produce are reduced.
7. Biodiversity is better protected.

8.4 EXPECTED OUTCOMES (FARM):

1. Farmers and farmer groups have increased their long term profitability, productivity and risk management.
2. Product quality meets market demand.
3. Farms have optimized their efficiency (reduced costs per unit of produce).
4. Farms have optimized their yield.
5. Workers benefit from rights and basic services at the workplace.
6. Healthy and safe living and working conditions are the norm for both farmers and workers.
7. There is no child labor as defined in ILO conventions 182 and 138.
8. Water and soil quality has been maintained or improved.
9. Farmers manage waste effectively, thereby realizing a reduction per unit of produce.
10. Farmers use water and energy efficiently.
11. Natural habitats are protected and/or restored.
12. Stronger, well-managed producer groups provide better and more reliable services to their members.

8.6 EXPECTED OUTCOMES (INDUSTRY/SECTOR):

1. Supply of UTZ certified products is secure as well as growing and meeting market requirements in terms of volumes, quality and countries of origin.
2. Demand for UTZ certified products is secure and growing in terms of sales volumes and countries where they are sold.
3. Sustainable practices are recognized and rewarded by the industry in terms of market access as well as prices and premiums paid.
4. Transparency, efficiency, trust and cooperation in supply chains have increased.
5. Actors in the supply chain see a common urgency for and are willing to invest in sustainable supply chains.
6. The costs of sustainable production are internalized in the final product and shared by all supply chain actors.
7. Companies recognize the UTZ program as a credible and effective program for sustainable farming as well as a brand endorser when demonstrating to consumers how they are investing in and rewarding sustainable practices.
8. Sustainable farming is inclusive: it includes smallholders as well as cooperatives and estates, men as well as women, young as well as older farmers.

8.5 FARM LEVEL STRATEGIES:

1. Facilitate 'training of trainers' for farmers and farmer groups on good agricultural practices and the UTZ Certified Code of Conduct.
2. Provide hands-on tools and guidance documents.
3. Maintain the dialogue with local stakeholders to allow practical guidance and effective implementation in the local context; local training & consultation.
4. Provide meaningful and practical Codes of Conduct that are developed and regularly revised by global stakeholders.
5. Manage the certification process and control the audit quality.
6. Provide incentives to farmers to certify against the UTZ Code of Conduct and develop additional benefits for farmers beyond certification.

8.5 ORGANIZATIONAL STRATEGIES:

1. Build organizational capacity and external support (including fundraising).
2. Engage in strategic cooperation with other sustainability standards.
3. Seek partnerships and cooperation with relevant stakeholders.
4. Research, monitor and evaluate for organizational learning and improvement as well as for external reporting and communication.

8.5 INDUSTRY/SECTOR LEVEL STRATEGIES:

1. Scale up the supply of UTZ certified products through training of and support to farmers as well as by actively including farmers that are more difficult to reach.
2. Scale up the demand for UTZ certified products by building awareness among companies, involving large businesses and including emerging as well as local markets. Assess and develop new growth opportunities (e.g. new products).
3. Provide innovative and cost-efficient systems and processes adapted to the mainstream market.
4. Set rules labeling and claiming and provide assurance that sustainability claims are being met.
5. Enable making sustainably produced and sourced products visible in the market.
6. Conduct outreach and communication activities to explain and promote the program to potential partners (producers as well as industry), markets, consumers and the public sector (governments, civil society).

Annex 2 Impact evaluations commissioned by UTZ (and partners), status as of January 2017

Year	Title Evaluation Report	Type	Status
2010	Social, economic and environmental results of UTZ certification: case studies on UTZ certified coffee farms in Asia, Africa and Latin America.	commissioned	completed
2012	Vietnam coffee: A COSA survey of UTZ certified farms	commissioned	completed
2013	Cocoa Farms in Ghana. An Evaluation of the Impact of UTZ Certification on the Sustainability of Smallholders supported by the Solidaridad Cocoa Programme 2010-2012, COSA	commissioned	completed
2013	A touch of cocoa: Baseline study of six UTZ-Solidaridad cocoa projects in Ghana	commissioned	completed
2013	From training to practice - midterm evaluation of UTZ-Solidaridad smallholder tea program in Kenya (2013)	commissioned	completed
2013	From training to practice - midterm evaluation of UTZ-Solidaridad smallholder tea program in Malawi (2013)	commissioned	completed
2014	Impact of UTZ Certification of cocoa in Côte d'Ivoire: Assessment framework and baseline	commissioned	completed
2014	Impact Evaluation of UTZ certified Coffee Program in Colombia	commissioned	completed
2014	Case study: UTZ certified rooibos farms in South Africa	commissioned	completed
2015	Effects of UTZ certification according to Brazilian coffee farmers	commissioned	completed
2015	Effects of UTZ certification of cocoa smallholders in Indonesia	commissioned	completed
2015	Impact of UTZ Certification of cocoa in Ghana	commissioned	completed
2016	Baseline of UEBT/UTZ certified Herbal Tea program (Kirgistan and Mexico)	commissioned	In progress
2016	Evaluation of UTZ tea program in Sri Lanka	commissioned	completed
2017	Improving the socio-economic situation of cocoa farmers in Ivory Coast	commissioned	In progress
2017	**Outcomes evaluation of the UTZ coffee program in Honduras, Nicaragua and Guatemala (2005-2015)**	commissioned	In progress