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A Client-Centric Approach

Impact Evaluation That Creates Value for
Participants

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We welcome feedback and comments on this working paper through August 31, 2015. If you are interested in sharing your perspective on client-centric approaches to evaluation, please contact Michael McCreless at mmcCreless@rootcapital.org.

Introduction

Do market-based approaches to development work? Are disadvantaged populations in fact better off as a result of their interactions with the constellation of social enterprises, impact investors, and “shared value” approaches to corporate social responsibility and sustainability that have arisen in the past 10 to 20 years?

A reasonable way to try to answer this question is to conduct an impact evaluation, in which researchers survey people about the changes that they have experienced as a result of their interactions with a particular social enterprise, investment, or program. Yet the very methods of evaluation threaten to re-entrench the power dynamic that a market-based approach to development seeks to mitigate in the first place.

A mango farmer surveyed by Root Capital in Burkina Faso in 2011, as part of a study to understand the impact of our lending, expressed it best:

“Here you come to ask us the same silly questions that you go sell to aid sponsors. Now when the aid comes you keep it for yourself. I don’t want to answer any question. Go take the answers for the ones we provided last year.... You’re all crooks of the same family. You’ll ask me my name, my family size, the kind of goods I have, and so on and so on. I am tired of all this and I am not answering a question, nor will anyone else in this family.”

Too often, data collection for impact evaluations, regardless of the intent, feels extractive to the research participants. “Extractive industries” are those that obtain natural resources from the earth to be used by consumers, without provision for the potential negative consequences of extraction. Similarly, some evaluations extract data from disadvantaged communities without providing any benefit in return. Such evaluations reinforce real and perceived imbalances in power and opportunity between the people doing the research and the people being studied.

In contrast, practitioners of market-based approaches to development are coming to see impact evaluations as one among many touchpoints in the customer, employee, or supplier relationship, and an opportunity for the research to create value for researcher and research participant alike.

Toward Evaluation That Creates Value for Participants

Root Capital's interest in this topic originates in our own ongoing and only partially fulfilled aspiration that our impact research provide value to our clients — agricultural businesses in Africa and Latin America — and thereby indirectly to the smallholder farmers affiliated with them.

By way of context, Root Capital provides loans and financial management training to small and growing agricultural enterprises sourcing from smallholder farmers in Africa and Latin America, with the ultimate goal of supporting sustainable livelihoods for these farm households.

We started doing in-depth impact studies with our clients in 2011. We lacked the budget for a large-scale evaluation, and were unsure what approach to evaluation would best suit our needs, so we started small.

The first study we did was with mango farmers in Burkina Faso. We hired a Burkinabé anthropologist to conduct qualitative interviews with farmers. His report for us included his perspective on our impact on farmer livelihoods, but what stuck with us more was his account of the personal interactions he had with those farmers while conducting the research. This report included the quote above, as well as the following:

“Son, who sent you? Is it the government or a development project?” When the enumerator inquired into the difference, the old man said, laughing, “If it is the government we know what to tell you, and if it is a development project we also know what answer to give.”

Although we were familiar with survey fatigue, response bias, and the like, we were not prepared for the rawness of some of the responses we received. Our intention in lending to the enterprise that connected these farmers to markets was to create shared value for enterprise and farmers alike, but we realized that our approach to evaluation fell short of that aspiration.

With each subsequent impact study, we have sought to increase not only the quality of research about impact but also the value created for our clients. Root Capital's clients are agricultural enterprises. We serve these businesses with the goal of improving livelihoods for smallholder farmers, but our point of contact in a rural community is the enterprise. Creating value for the management team of the enterprise is a precondition for proceeding with an impact study. For lack of a better term, and because our partners in these studies are in fact our lending clients, the internal term we use for this approach is “client-centric” evaluation.

Some of this value ultimately accrues to farmers, for instance, if businesses use the survey data to improve provision of technical assistance or inputs such as fertilizer to farmers. However, it is unlikely that farmers receive immediate and direct value from the act of participating in our surveys. It is for this

reason that we term our approach client-centric, rather than producer-centric or farmer-centric. We have begun to explore ways to make our surveys more directly valuable to each farmer who participates — for instance, by providing information to help them benchmark their agricultural practices and yields against peers — but this work is at an early stage.

Our intent is not to coin a new term or invent a new impact framework or methodology. Rather, it is to honor the rights of the agricultural businesses and small-scale producers that participate in impact evaluations, and find creative ways for evaluations to deliver more value to them. It is to ensure that the data collection, analysis, and reporting process benefits the enterprise or community being researched, rather than (or in addition to) extracting information for the benefit of third parties. By doing so, we hope to significantly increase the value of the research, notably to participants, without proportionately increasing the cost.

Even since we began developing these ideas in 2011, we have noted a shift in the discourse among our peers in the social enterprise and smallholder agriculture space, such that we feel that we are part of an emerging community of practice. The challenge now for Root Capital, and seemingly for others as well, is to get better at translating our aspirations into practice.

Several exciting collaborations have emerged to do just that. Just a few of the initiatives with which Root Capital has participated or partnered include: [Keystone Accountability's](#) work on constituent voice and customer feedback; Acumen's [Lean Data Initiative](#), with support from the [Aspen Network of Development Entrepreneurs](#); and the [Performance Measurement Community of Practice](#) of the [Sustainable Food Lab](#).

More broadly, the [Lean Research Initiative](#) is a collaboration between researchers at MIT's D-Lab and the Fletcher School at Tufts University that aims to create a framework and set of principles to guide field research in the broader context of poverty and development work. The Lean Research [Framework](#) and [Working Paper](#) are excellent resources for those who wish to explore this topic further.

The purpose of this working paper is to advance conversations and collaborations about how to create value for disadvantaged populations through the very act of evaluating the impact of programs and services on those populations.

Principles of Evaluation That Creates Value for Participants

We are developing a working set of guiding principles to help ourselves maintain a client-centric approach throughout each impact study that we conduct. We welcome the opportunity to discuss, revise, and improve these with partners.

These principles are incomplete, but they are a start. We have found that it is unlikely that an evaluation will create value for participants if any of these is not observed:

1. Visit prospective research partners (in our case, agricultural enterprises) in person at their place of business, to listen to and understand their priorities.
2. Be willing to reconsider, expand, or reject preconceived research designs that do not address those priorities, including not proceeding with the study at all.
3. Explore whether research paradigms other than impact evaluation — such as customer feedback, market assessment, needs assessment, supply chain management, and social and environmental performance management — might better address clients' priorities. These paradigms are not substitutes for impact evaluation, but rather complements that can be added to an evaluation to increase the value of the data-collection exercise for participants.
4. Remain committed to the data collection, analysis, and synthesis until the priorities of the entity or community being researched are achieved, even in instances where the researcher's priorities are achieved earlier.
5. Related to this, ensure that the portion of the research that primarily benefits the enterprise or community being researched is completed to the same standard of rigor and quality assurance as that which primarily benefits the researcher or the researcher's other stakeholders.
6. Prioritize communicating the results of the research to the enterprise or community being researched, in person and in a timely manner, in a format accessible and meaningful to them, before results are communicated to other stakeholders. Root Capital's standard is to return to the enterprise to present findings in person within three months of the end of data collection.
7. Discuss the process of collaboration with the enterprise or community being researched and solicit feedback from them about both the findings and the process.

A recurrent theme is the importance of engaging in person at the client site. It might seem obvious to do so, but it can entail real time and cost that need to be built into study proposals and design. Where Root Capital works in Africa and Latin America, the enterprise or community might be located many hours away from the nearest major city via dirt road. Even in North America and Europe, rural areas are comparatively harder to reach, and disadvantaged urban areas may present complications related to safety and accessibility. It is tempting to try to conduct this work remotely using modern technology, but we have found that it is worth the time and cost involved to engage the enterprise and community in person throughout the stages of the evaluation.

Working List of Practical Tips

In addition to the general principles, we created the following list of detailed practical tips, organized by evaluation stage, that apply to our specific context of sustainable agricultural value chains. In Root Capital's case, the evaluator (Root Capital or a consultant) is working with managers of an agricultural enterprise to survey farmers and employees of that enterprise.

The purpose of the survey is to generate information about the impact of the enterprise on those farmers and employees for use by Root Capital and our stakeholders (e.g., investors, donors, and corporate partners), and to generate information that can help enterprise managers improve the business.

Partner Selection

Screen prospective enterprises for:

- Interest and willingness in using the evaluation as an opportunity to incorporate questions useful for their own decision-making or planning.
- Managerial capacity to take action based on the data once it is generated.
 - To the extent that this criterion results in screening out certain enterprises, it is important to be transparent with other stakeholders and consumers of the evaluation about the potential for selection bias.
- Bandwidth to assist in evaluation logistics and planning. Explain the benefits and costs of the study, in detail and repeating as necessary, to ensure that enterprise managers understand the time required of them, for example in making introductions to farmers, setting up appointments for surveys, and oftentimes taking surveyors to farmers' houses because they are otherwise too difficult or remote for enumerators to find.

Scoping and Research Design

Engage enterprise managers closely in scoping and designing the research:

- Conduct research scoping at the client site to give enterprise managers more time and comfort to express concerns and ask questions, and for mutual brainstorming.
- Plan data collection to take place at a time when the respondents and enterprise managers will have time to engage fully. In the context of agricultural businesses, this means surveying between harvest seasons. When organizing focus groups for women, offering on-site childcare for the duration of the discussion may facilitate attendance and participation.
- Understand the organizational structure and decision-making process of the enterprise, so as to work appropriately through those structures and processes. For instance, when working

with an agricultural cooperative, it is prudent to obtain approval from the board of directors or even the general assembly of farmer members, in addition to the general manager.

- Create a Memorandum of Understanding that lays out responsibilities and costs borne by each party, explains data ownership and use, and clearly delineates confidentiality.
- Think through a contingency plan for disseminating results that do not reflect positively on the enterprise or on the community. Discuss and agree upon the plan with the enterprise managers and the community, and make sure that the language of the Memorandum of Understanding is aligned with the plan.
- Dedicate time to understanding the challenges faced by the enterprise and co-develop additional survey questions to address those challenges with enterprise managers.
- Review the survey with enterprise managers to ensure that they understand it and have an opportunity to provide feedback and suggest new questions.

Enumerator Training and Data Collection

Recruit local enumerators who are well positioned within the community to gather the desired data, and train them in techniques for doing so:

- Recruit enumerators who are somewhere between “insiders” and “outsiders” to the community of research participants. For instance, in conducting surveys of rural communities, we have found it best to hire skilled locals not employed by the enterprise because of their ability to navigate the local context (including speaking the local language) and inspire relatively more objective responses to questions related to business performance (as compared to local business staff on the one hand, or enumerators from a survey firm based in the national or regional capital on the other).
- Where possible, recruit female enumerators, who could make female respondents more comfortable and therefore collect better quality information.
- Allocate ample time for enumerator training, to give enumerators time to get comfortable with the survey so that when engaging smallholder farmers they can be fully present in the personal interaction, making eye contact, listening actively, and building a rapport with the respondent, even while being meticulous about gathering the relevant information.
- We have found that traveling to the homes of respondents, rather than meeting them in central aggregation points such as community meetings or collection centers where they deliver product to the business, demonstrates respect and our willingness to travel a distance to get valuable information from them. This creates reciprocity, encourages farmers to share information, and also minimizes any pressure that might exist in a public setting among peers.

Analysis, Synthesis, and Presentation of Results

Maintain the focus on using the research process to create value for the research population in the analysis and reporting of results:

- Prioritize analysis and synthesis of results based on a shared understanding of which information the enterprise will use to inform decisions or actions.
- Return to enterprise's place of business to present results in person. Present results to the community, including producer and/or employee representatives, as well as to the enterprise managers.
- To ensure that the data can be acted upon in a timely fashion, present results back to the enterprise as quickly as is practical. We have found that it is nearly always possible to return to present results within four months. For agricultural businesses, presenting results in a timely fashion can mean the difference between acting on them in time for the harvest season and having to wait until the following year to implement them.
- Present the results in a format that is accessible to the business and to farmers who are attending: generally thorough but concise, and highly visual. We often use PowerPoint presentations with graphs summarizing the data. If farmers have low literacy levels, or are not used to seeing data represented graphically, it is important in the verbal presentation to clearly explain in nontechnical language what the data is showing.
- Where possible, provide results of evaluations of similar enterprises or communities, to enable benchmarking of performance.
- Facilitate a discussion about how the enterprise or community might act on this data. To the extent desired by enterprise managers, work together to develop an action plan.

CASE STUDY

Bringing a Client-Centric Approach to an Impact Evaluation

In 2014, Root Capital conducted a study with a coffee cooperative in Nicaragua to understand the impact of the enterprise on farmer members and their households. In the study, we surveyed 169 farmer members about households' socioeconomic situation, their production practices and yields, their assessment of services currently delivered by the cooperative, and their demand for future services.

The study served multiple stakeholders. Root Capital gained insight into our cooperative client's household-level impact to date. The cooperative managers received actionable data to improve services and strengthen relationships with their farmer members. At the outset, we coordinated with the cooperative managers to ensure that we incorporated their research questions into the survey.

At the same time, Root Capital had also begun its collaboration with USAID and the coffee companies Cooperative Coffees, Equal Exchange, Keurig Green Mountain, and Starbucks on the Coffee Farmer Resilience Initiative, which provides financing and agronomic training to help coffee enterprises and farmers recover from coffee rust and boost farm-level productivity. The study generated baseline data on farmers' yields and incomes for these stakeholders.

Costs for the Enterprise Being Evaluated

Participation in the evaluation was not “free” for the Nicaraguan coffee cooperative. Although the enterprise did not make a financial commitment to the study, it made significant investment of its scarce time and management resources. Specifically, cooperative management and staff contributed to the following activities:

- Review and revision of the producer survey
- Preparation and sharing of background documentation, such as a farmer member list (needed for sample selection)
- Planning of surveyor routes and outreach to farmers to explain the study and schedule visits to their homes for interviews
- Identification of study enumerator candidates
- Logistics planning and outreach for six focus groups (two each on gender, agronomic practices, and costs of production)
- Information requests throughout data collection
- Review and revision of results

Benefits for the Enterprise Being Evaluated

We presented the results to the cooperative managers and the board of directors, and asked them to react to the data and consider how they might use it. Their response was that the data provided a snapshot of the cooperative's performance in supporting farmer members' yields and quality improvements, and pinpointed gaps that the cooperative would take into account in its strategic planning. The following are specific data points that stood out in importance for the managers.

- *Gender:* We segmented our analysis by the gender of the cooperative member. In this case, the cooperative managers were surprised to see the substantial discrepancies persisting between women's and men's productivity and participation in the cooperative, despite the cooperative's emphasis on promoting gender equity. This result signaled to the cooperative that it needed to redouble its efforts to improve outcomes for women.
- *Coffee quality:* The cooperative managers were disappointed that members reported that 85 percent of their coffee was first-grade coffee (eligible for export through the cooperative's marketing channels), compared to the 90 percent they expected. For the cooperative, this signified a drop-off in quality related to coffee leaf rust, and an important focus area for the cooperative's technical assistance program.
- *Conservation practices:* Similarly, the cooperative managers were disappointed that members reported lower-than-expected implementation of best practices such as proper disposal of wastewater, despite the cooperative's comprehensive technical assistance program. The managers recognized the need to make a stronger case for these practices to farmers by linking the practices to better plant health, higher productivity, and therefore higher income.
- *New services:* The study confirmed and quantified farmers' prioritization of potential new services that the cooperative could deliver. The cooperative already had a sense that farmers sought long-term loans for farm renovation and land acquisition, but the study results provided a data-driven mandate for the cooperative. It also informed estimates of how much financing would be required, enabling the cooperative to develop a long-term plan to meet this need.

CASE STUDY

Challenges of Making Research Valuable for All Participants

Root Capital's approach to conducting impact studies is very much a work in progress, and our aspiration to create value for all participants is only partially realized. For example, we recently partnered with an agroprocessing company in Latin America that sources grain from approximately 1,000 farmers, organized into eight producer associations and one cooperative, which in turn sources from 35 additional associations. We conducted impact studies with producers affiliated with 10 of these supplier associations.

In March 2015, Root Capital's impact coordinator separately visited the agroprocessor, the cooperative, and a convening of several of the producer associations to present the results of the study. The very different reactions she received highlight the challenges of making evaluations useful to all participants in a multi-stakeholder environment.

- *Agroprocessor:* The managers of the agroprocessing company — Root Capital's direct borrower — valued the results of the study and planned to act on them. In particular, as a result of the study the company is planning to strengthen its sourcing relationship with the cooperative by offering technical assistance for the first time. The company also plans to use the gender analysis (i.e., results disaggregated by gender and write-ups of focus groups with women) to inform the women's program it is launching in 2015.
- *Farmer Associations:* The managers of two of the farmer organizations valued the snapshot of the current relationship between the farmers and the cooperative and had a robust discussion about the results of the focus groups on gender issues, but did not see immediate opportunities to act on the data. They also expressed surprise that we returned at the end of the study to present the results to them, saying that multiple researchers who previously surveyed farmers had promised to share the results, but never did.
- *Cooperative:* The managers of the third organization felt that we had extracted data from farmers and provided little value in return. They were concerned about why Root Capital wanted the information and what we would do with it, citing a past experience in which results of an agronomic survey were used to improve quinoa production elsewhere but not for survey respondents. Although Root Capital had made many survey revisions and added several questions at the request of the organization's general manager, nobody other than the manager seemed to know about or value the manager's participation. The participants said that surveys should only be done to provide respondents with something concrete, like agricultural inputs, and not just information.

In retrospect, there were several early signs that this survey was unlikely to create value for the cooperative. Firstly, the cooperative was hoping to receive a loan of its own from Root Capital in the future. (This was the first time, out of roughly a dozen studies conducted up to that point, that we conducted an evaluation with a prospective rather than an existing client.) When the cooperative

managers introduced the survey to its base association managers and farmers, they described it as something they had to do to get a loan, though we sought, through several explicit conversations, to dispel this misconception. Secondly, even early on, cooperative managers showed a lack of responsiveness to emails and requests for information. That said, in our experience, some organizations that do value the research are equally unresponsive, simply due to competing obligations.

- *Farmers:* We did not follow up with farmers directly after the survey. Although they might benefit from the study if the survey results cause the agroprocessor, cooperative, or producer associations to provide them more or better services (which we believe is likely), it is unlikely that farmers received any direct value from participating in the survey.

This is likely representative of how farmers experience our other impact studies as well, and it is for this reason that we term our approach client-centric, rather than producer-centric or farmer-centric.

Nevertheless, our aspiration is for our evaluations to create value for farmers directly, in addition to indirectly via the agricultural enterprise where our direct interventions (financing and advisory services) are focused, and we are also looking for opportunities to do so. Some options we are exploring include:

- Providing useful information to them at the moment they are surveyed, for instance price or weather information
- Going to greater lengths to make sure that each farmer receives the results of the evaluation, whether in person at a general assembly of farmers or via mobile technology
- Helping farmers to benchmark themselves against peers with regard to their agronomic practices, yields achieved, and other factors relevant to them

Why Doesn't All Evaluation Create Value for Participants?

Although the potential for evaluation to create value for participants is large, there are significant barriers to the full realization of that potential.

From an evaluator's perspective, evaluators are generally not expected to take on this extra mandate. They often lack the necessary training and skills, and when they do take on this responsibility, they are not rewarded for it by the people to whom they are formally accountable. More specifically:

- *Extra time and cost required:* Client-centric evaluation entails the inclusion of research activities above and beyond those that are necessary for the researcher, increasing cost and complexity. Additional activities include extra discussion and coordination with the partner to ensure their research priorities are incorporated into the study; preparation of an additional presentation of research findings for the partner; and the time and cost of travel for an on-site presentation and discussion of research findings with the partner.
- *Goals and incentives of evaluators:* The goals and incentives of evaluators (and of practitioners playing the role of evaluators) are generally aligned with the interests of stakeholders other than the community being evaluated, notably external donors, investors, the public at large, and sometimes academics or research institutions. Many evaluators do add value to research participants, but they are not given incentives to do so, nor is doing so framed as a primary objective for them. As a result, they might not add as much value as they could.
- *Lack of awareness, precedent, or expectation among evaluators:* Until recent years, there has not been a strong expectation that the act of evaluating could or would directly create value for research participants, though again, many evaluators do create value for participants and probably few are against the idea in principle.
- *Lack of skills and training among evaluators:* Many researchers are trained in techniques to ensure that the research meets the needs of the evaluator and the evaluator's stakeholders. Fewer are trained in techniques to ensure that the research benefits the research participants directly. For example, evaluators are often not trained in customer/supplier feedback surveys, market research, needs assessment, or other research paradigms that client-centric evaluation draws upon in order to create value for research participants.

Building the Practical Case: Benefits for Evaluators and Participants Alike

This section begins to outline practical reasons why individual evaluators should nevertheless aspire to make their evaluations valuable to those being evaluated, despite the challenges involved in doing so.

Benefits for Client Enterprise Being Evaluated

PROVIDE A SNAPSHOT OF PERFORMANCE

Many of the businesses with whom Root Capital has partnered for evaluations have valued the opportunity to learn what is working well and what they could improve in their relationships with customers, employees, and/or suppliers.

For instance, the lead agronomist of a coffee cooperative in Peru with whom we partnered on a client-centric impact study was pleased to verify that 75 percent of affiliated farmers had been able to increase production in recent years, and feels motivated to continue his efforts: “[The 75 percent] is a really attractive figure because it shows us that we’re making progress. We’ve had information before that suggested we were progressing, but not with such precision. It gives us strength to continue advancing.”

Sometimes the data suggests opportunities for improvement. The managers of two of the Guatemalan coffee cooperatives with whom we conducted a study were disappointed to learn of coffee farmers’ inconsistent application of best coffee-production practices. In both cases, the cooperatives resolved to strengthen their agronomic extension to improve adoption rates.

INFORM DECISION-MAKING BY THE ENTERPRISE OR COMMUNITY

Often, the enterprise is facing a particular decision, such as what types of ancillary services to provide to its affiliated farmers, and can take advantage of the research to gather data to inform its decision.

For instance, one of the Guatemalan coffee cooperatives referenced immediately above decided to prioritize individualized technical assistance to farmers and loans for them to purchase equipment that would increase the quality of the end product.

Likewise, the Peruvian coffee cooperative referenced at the beginning of this section utilized the survey to learn what agronomic topics farmers wanted to learn more about during farmer trainings in the coming year, and is planning the content of those trainings accordingly.

CREATE MARKETING MATERIAL TO ATTRACT NEW CUSTOMERS, SUPPLIERS, OR EXTERNAL RESOURCES TO THE COMMUNITY

Several of our clients have taken the opportunity of an evaluation by a third party (in this case, Root Capital) to demonstrate poverty levels or community needs, on the one hand, or sustainable practices or livelihood benefits on the other, to better market themselves to potential buyers of their products, investors, donors, or service providers. In some cases, these materials are pitched not to external

stakeholders but as testimonials to prospective customers or farmers to encourage them to purchase from, sell to, and/or participate as members in the enterprise.

The management of one Guatemalan cooperative, for example, was pleased to see study results that corroborated its perception of success in boosting women's participation, while also reflecting their community's significant socioeconomic need. They told us they would share both results with donors as a basis for applying for new project funding and expanding community services, such as the children's library the cooperative established several years ago.

Benefits for Evaluators and Their Stakeholders

MOTIVATING PARTICIPATION OF ENTERPRISE BEING EVALUATED

Root Capital has found that including client-centric elements in an evaluation can make the difference between an enterprise being willing to participate or not. In one case, Root Capital and its investors wanted to conduct a light-touch round of data collection in order to estimate the poverty level of farmers affiliated with a borrower enterprise in Ghana. The managers of the enterprise were initially reluctant to participate because they felt that the exercise would require time and effort from them and from farmers, but would not benefit them.

However, in the course of discussions with enterprise managers, we learned that their major challenge is that farmers do not honor commitments to sell maize to the enterprise, "side-selling" it instead to local intermediaries. Root Capital offered to gather data to better understand the reasons that farmers side-sell, and services that the enterprise could provide to increase delivery rates, such as facilitating access to maize input credit from local credit unions. As a result, the enterprise was willing to participate in the data collection.

BALANCING COMPETING VALUES OF PRACTITIONERS

Client-centric evaluation provides a way for practitioners to gather needed data on impact (or related conditions, such as poverty levels) while preserving the dynamic of a business–customer relationship versus a donor–beneficiary relationship. More broadly, client-centric evaluation provides a way for practitioners to balance their commitment to holding themselves accountable to their mission (and the expectations of their own stakeholders) with their commitment to embody values of equality, empathy, and mutual respect for the disadvantaged populations with whom they work.

POTENTIALLY IMPROVING EVALUATION QUALITY

Including client-centric components in an evaluation may improve the quality of the evaluation and in any case does not decrease the quality. Specifically:

- Involving the participants in survey design may result in making the content and wording of survey questions more appropriate to the local context. Soliciting local feedback on surveys is already generally considered best practice in survey design, and a client-centric approach facilitates it.
- Involving participants throughout may result in greater buy-in and participation rates by the enterprise, and potentially the individual participants.

- Sharing results with the participants helps evaluators to sense-check and contextualize preliminary study findings, and to qualitatively connect the dots between quantitative results.

Note on Potential Bias

Making a study client-centric does not necessarily increase or decrease the bias of the study, but it does make it more relevant to the research subject. It is important to separate the issue of including elements in an evaluation that will create value for participants from the issue of who is conducting the evaluation.

If an investor or enterprise evaluates and reports its own impact, or the impact of the enterprises or communities it supports, that creates a potential for bias in the results.¹ We are not advocating that practitioners evaluate their own impact, or the impact of the enterprises they support, rather than contracting third parties to do so.

1. In Root Capital's case, when we do farmer-level evaluations, we are evaluating the impact of the agricultural businesses (to whom we lend) on farmers. In these evaluations we are not seeking to evaluate our own impact on our clients, a task we outsourced to a third-party academic researcher in a separate study.

Building the Ethical Case: Doing Good versus Doing No Harm

Impact evaluation, like all research involving human respondents, must meet minimum ethical standards, and ideally would exceed those standards with regard to value created for participants.

More and more research and evaluation among disadvantaged communities is being conducted by entities not subject to oversight by the institutional review boards (IRBs) that govern research among human subjects in academia and medicine. This creates a risk that the research may unintentionally harm participants.

To apply research ethics to the context of impact evaluations being conducted by nonacademic practitioners, we advocate that practitioners:

- Collaborate to establish a shared set of norms, standards, or codes of practice to help impact evaluators who are not subject to other oversight avoid unintentionally harming participants. While an IRB may not be well suited to this context, some set of institutions, norms, or best practices is necessary to mitigate the risk of unintentional harm.
- Strive for our evaluations to exceed that minimum standard of “doing no harm,” and actively create value for research participants.

The Belmont Report, which emerged from the U.S. National Commission for the Protection of Human Subjects in 1978, provides foundational principles that underpin modern institutional research guidelines. The three principles articulated by the Belmont Report are *respect for persons*, *beneficence*, and *justice* (see **Appendix 2** for more detail).

Evaluation that creates value for participants is most directly related to the principle of beneficence. While this principle is sometimes equated with the Hippocratic maxim to do no harm, it is more often interpreted as a mandate to “maximize possible benefits and minimize possible harm” to research participants, and to weigh these carefully against the potential benefits to society of conducting the research (or risks of not conducting it).

It is tempting for practitioners conducting impact evaluations to consider that the principle of beneficence is satisfied for several reasons:

1. It is hoped that research participants have benefited or will benefit from the products and services offered by the practitioner.
2. The evaluation may help attract further resources to the community.
3. Knowledge, if shared, is a public good with public benefits, for instance catalyzing systemic change that may benefit similar communities (such as action by policymakers, businesses, and investors that are not otherwise involved in the evaluation).

However, in the absence of supporting evidence, none of these assumptions are justified:

1. It is also possible that the research participants did not receive, or did not benefit from, the products and services offered by the practitioner. Presumably, insufficient evidence of benefit is one motivation for the evaluation.
2. The evaluation may not succeed in attracting further resources to the community.
3. Any single evaluation is unlikely to play more than a supporting role in catalyzing system change, if at all. Indeed, if the findings are not complimentary to the evaluator or the evaluator's constituents, the evaluation will likely not be shared at all, even though these "negative findings" are often as valuable or more valuable than "positive findings."

Researchers are better justified in starting from the intentionally extreme assumption that neither the research participants nor society at large will benefit from the evaluation, and then adjust that assumption to the extent that evidence contradicts it.

To the extent that evidence of the benefit to society does not exist, it becomes more important to find a way for the research to create some benefit for the participants. In this respect, the client-centric approach seeks to exceed the standard required by most IRBs, because it does not settle for merely doing no harm, nor does it sanction an assumption of benefit to society, or a spillover of that societal benefit to the research participants. Rather, it insists that benefit for participants be built into the research design itself. In particular, client-centric evaluation recognizes that for an evaluation to create value for participants may require the addition of research topics or methods above and beyond what is otherwise a priority by the evaluator.

Appendix 2 briefly describes the Belmont principles of respect for persons and justice, and begins to align our client-centric approach with those principles.

Conclusion

Across geographies and sectors, from nonprofit service providers to corporations seeking supply chain sustainability, from impact investors to multilateral financial institutions, awareness is increasing that the act of conducting an evaluation among disadvantaged populations is itself an intervention — one that has the potential to benefit (or harm) the population being researched.

We look forward to continuing to learn from and share with other organizations that are engaged in similar work. We hope that, in doing so, our evaluations will not only add more value for Root Capital's clients but will also better embody the principles of empowerment, equity, and service that guide our programmatic work.

APPENDIX I

References to Leading Work on This Topic

Our observations about the power dynamics inherent in evaluation are not new. Indeed, they are decades old, and spurred the development of evaluation methods such as *participatory rural appraisal* (PRA), *rapid rural appraisal* (RRA), and *participatory analysis for community action* (PACA).

Others have persuasively argued that evaluation methodologies grounded in *customer feedback* are more appropriate to market-driven approaches to poverty alleviation precisely because market-driven approaches treat the poor as customers rather than beneficiaries. For instance, [Keystone Accountability](#) is an evaluation service provider that focuses on helping other nonprofits use customer feedback to improve their products, services, and customer relationships.

Still others emphasize that, to the extent that data about the livelihoods of smallholder farmers is relevant for *agricultural supply chains*, generation of the data can advance both the goals of impact evaluation and the business goals of companies in the supply chain. For instance, the [Performance Measurement Community of Practice](#) of the [Sustainable Food Lab](#) is a collaboration of companies, NGOs, lenders, voluntary standards, and donors that are developing and testing a shared approach to performance measurement. The goal of this group is “to increase pre-competitive learning across studies, reduce costs, waste, and confusion for suppliers and farmers, and improve study design by building on good practices and tested metrics.”

Given this convergence of interests among seemingly disparate stakeholders in data collection in disadvantaged communities, it is tempting to imagine that a single methodology might serve all of their needs simultaneously. Indeed, Root Capital has found in our own evaluations that many research questions are of interest to our investors and donors, agribusiness companies sourcing from smallholder farming communities, and agricultural businesses in those communities.

The alignment of interests of the various stakeholders is substantial, but it is not perfect. In our experience, *each stakeholder shares some areas of common interest with others, but also has unique needs*. For instance, a donor or investor seeking evidence that its capital increased the incomes of smallholder farmers living on less than \$2.50 per day may be interested to see the results of a supplier feedback survey among those farmers, but will still want to measure incomes directly.

The non-overlapping data needs of various stakeholders in evaluations dictates that no single set of research questions will meet the needs of all. However, impact evaluators can combine questions from multiple research paradigms to meet the needs of all the stakeholders in the evaluation, notably the research participants themselves. These paradigms include customer feedback, market assessment, needs assessment, sustainability certifications, supply chain transparency, and others.

Several peer organizations share an interest in this topic. Researchers at the [Tufts Fletcher School](#) and [MIT's D-Lab](#) are working together to create [Lean Research](#), a framework and set of principles that

guides field research in the broader context of poverty and development work. The Lean Research framework is an umbrella that spans the field of international development and, to some extent, social science research more broadly.

Lean Research is defined as research that is not only rigorous but also “respectful, relevant, and right-sized.” It seeks “to make research beneficial to subjects, actionable by many stakeholders, and efficient in terms of benefits and costs.” Though developed independently, the underlying values and principles of Root Capital’s client-centric approach are wholly aligned with those of Lean Research, and we are coordinating closely with the initiative.

Many researchers have supported and engaged with the Lean Research initiative. In August 2014, MIT hosted a [convening on Lean Research](#) that was attended by over 50 participants from leading foundations, donors, research and policy organizations, and nonprofits from many different sectors. More than 30 of these practitioners have signed a Lean Research Declaration, and additional activities are planned for 2015, including publication of a working paper and establishment of working groups on particular topics. For more information on Lean Research, please contact leanresearch-admin@mit.edu.

APPENDIX II

Building the Ethical Case: The Belmont Report

The Belmont Report, which emerged from the U.S. National Commission for the Protection of Human Subjects in 1978, provides the foundational principles that underpin modern institutional research guidelines. It offers a useful framework for exploring what this looks like in practice, and why it matters.

In order to align the client-centric approach with commonly accepted standards of research ethics outlined in the Belmont Report, it is necessary to summarize those ethical principles:²

1. *Respect for Persons*: In particular, respect for their ability and right to make autonomous decisions to participate in research. This principle is commonly expressed as informing prospective participants of the risks of participation, and obtaining their informed consent.³
2. *Beneficence*: Researchers have an obligation to “make efforts to secure the well-being” of research participants. While this principle is sometimes equated with the Hippocratic maxim to “do no harm,” it is more often interpreted as a mandate to “maximize possible benefits and minimize possible harms” to research participants, and to weigh these carefully against potential benefits to society of conducting the research (or risks of not conducting it).
 - a. In some contexts, “non-maleficence” (i.e., not doing harm) is treated as a separate principle from “beneficence” (i.e., maximizing possible benefits and minimizing possible harms)
3. *Justice*: The Belmont Report asks, “Who ought to receive the benefits of research and bear its burdens?” Without prescribing a single universal best practice, the report provides several widely accepted formulations of just ways to distribute burdens and benefits.

The principle of beneficence is discussed in Section 9 of the issue brief above. This section begins to adapt the principles of respect for persons and justice to the context of impact evaluations implemented by nonacademic practitioners in partnership with local enterprises that engage disadvantaged populations.

² The content of this section relies on the [Belmont Report](#) itself and on the description of it in “Running Randomized Evaluations,” Rachel Glennester and Kutzai Takavarasha, Princeton University Press, 2013, pp. 60–61.

³ When the risks of participation are very low and obtaining informed consent is very difficult or would bias the results of the study, the requirement for informed consent can be waived or participants can be given partial information.

Principle of Respect for Persons

Are there risks to research participants? It is tempting to assume that the risks to participants of participating in an impact evaluation are low, because they are in most cases simply reporting on their current living conditions, agricultural practices, etc.

However, respondents (in Root Capital's case, smallholder farmers mostly living on less than \$2.50 per day) are busy making a living, and lengthy surveys take them away from their work. Moreover, the already precarious livelihoods of the populations participating in research, along with the potential for unexpected findings to emerge, make a compelling case for careful use of informed consent procedures even when they may not seem necessary.

For instance, in one evaluation, Root Capital discovered that small-scale farmers were using agrochemicals that, while not particularly toxic, were forbidden by the certification for which they were obtaining a price premium. Revealing this finding to either the certifier or the corporation buying the product would have likely resulted in revocation of the certification, rejection of the product by the buyer, and devastating loss of income for the farmers. For this reason, Root Capital is only divulging this finding in documents (such as this one) in which the anonymity of the enterprise can be preserved.

The language we used in our informed consent agreement with the research participants, which assured them that their identities would be kept confidential and that no harm would come to them as a result of participation, guided our decision in this case. We communicated the finding to the cooperative management and they committed in writing to separate their organic and nonorganic coffee (to ensure that nonorganic coffee was not sold as organic), and to follow up with members to make sure they were in compliance with certification in the future.

We feel comfortable with the outcome of the situation after the fact. Our intention in including this example here is to point out that no formal institutions exist to oversee and guide decisions regarding research ethics for organizations like Root Capital. Nor was it apparent to us at the time which, if any, informal guidelines or codes of practice we should follow.

Are research participants free to choose? Another consideration is whether research participants are truly autonomous in choosing whether or not to participate, given their precarious livelihoods and their degree of dependence on the products and services offered by the organization(s) conducting the evaluation. The Belmont Report notes that “unjustifiable pressures usually occur when persons in positions of authority or commanding influence — especially where possible sanctions are involved — urge a course of action for a subject.”

In many cases, the disparity in power and economic status between the practitioner and related stakeholders on the one hand, and the community being evaluated on the other, constitutes influence, if not authority, giving cause for careful consideration of this issue. There is a real risk that research participants agree to participate in an evaluation because they feel they have to in order to preserve their access to the capital, products, and/or services of the evaluator. They may even affirm that the evaluation creates value for them when it does not.

Good communication and goodwill on both sides attenuate the effects of, but do not eliminate, the power differential between researcher and research participant. Ultimately, the client-centric approach requires that the practitioner and his or her stakeholders be prepared to forgo any evaluation, no matter how potentially valuable to them, unless it is also valuable to the client. If the evaluation does proceed, this power dynamic also raises the possibility of biased results, as mentioned above.

Principle of Justice

Practitioners applying a client-centric approach should be aware of two concerns related to the principle of justice.

The first concern is, as the Belmont report states, “whether some classes (e.g., welfare patients, particular racial and ethnic minorities, or persons confined to institutions) are being systematically selected simply because of their easy availability, their compromised position, or their manipulability, rather than for reasons directly related to the problem being studied.” Of course, for practitioners supporting enterprises that in turn support disadvantaged populations, the first criterion for participation in an evaluation is that the respondent be a customer of, employee of, or supplier to the enterprise. Among those customers and suppliers, practitioners should not choose research participants based on their “availability, compromised position, or manipulability.”

The second concern is, as Glennester and Takavarasha⁴ write, whether “the allocation of risks between different groups of people [are] fair. It is important to avoid a situation in which one group bears all the risk and another stands to reap all the benefits,” for instance, testing a vaccine on a disadvantaged population and then offering that vaccine for sale only to the rich. Client-centric evaluation partially addresses this concern by prioritizing benefit to research participants and building that benefit into the research design.

⁴ “Running Randomized Evaluations,” Rachel Glennester and Kutzai Takavarasha, Princeton University Press, 2013