External Evaluation of the UTZ Tea Programme in Sri Lanka

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Executive Summary

The UTZ tea programme in Sri Lanka first began in 2011, implemented by the Institute of Social Development with the support of Solidaridad, UTZ, Douwe Egberts Foundation and various institutions within the Sri Lankan tea sector.

The purpose of this evaluation is to inform UTZ and other stakeholders about the outcomes of the UTZ tea programme in Sri Lanka, and to draw lessons and recommendations. The evaluation aimed particularly to identify, describe and evaluate the social, economic and environmental outcomes of the UTZ tea programme, from the perspective of different stakeholders. The evaluation team was also asked to contextualise our findings within the Sri Lanka tea sector, referring both to the UTZ Theory of Change and to broader trends within the voluntary sustainability standards sector.

Sri Lankan tea sector

The Sri Lankan tea sector has a long history, and is still the third largest foreign currency earner for the country. The sector has a high political profile: various tea institutions support and govern the sector. The tea union, representing more than 300,000 tea estate workers, is also strongly present. However, the profitability of the sector is under threat due to several external and internal factors. Sri Lanka has lost many of her important export markets due to the ruble crisis in Russia and on-going war in the Middle East. Also, compared to other tea producing countries Sri Lanka has high labour costs, low labour productivity and relatively difficult terrain conditions.

The UTZ training programme

The UTZ standard is the most recent sustainability standard to be introduced to Sri Lanka. Although it was initially regarded with skepticism, UTZ was quickly recognised as the most comprehensive standard. The Institute of Social Development, a Sri Lanka based organization, trained estate managers, workers and smallholder farmers to implement the UTZ standard and provided initial material support, including protective equipment for workers and signage in tea factories. Additionally the Institute promoted UTZ among tea stakeholders such as buyers, brokers and government institutions. Monthly coordination meetings in Colombo were a key activity in this regard.

The evaluators found that the UTZ training programme has been effective for several reasons: a good choice of topics, a sound gap analysis on each estate, an effective mix of in-house and residential training, use of national tea experts, and longer-term coaching and refresher training. In general, the number of people trained has been enough to assure a decent level of knowledge transfer on tea estates, in worker communities and within smallholder groups. Building the capacity of managers and workers on tea estates was key to changing both mind sets and commitment levels.

Changes experienced by the key target groups have been clustered into four categories: 1) management; 2) farming practices; 3) working and living conditions, and 4) environment.

Changes in management practices

The changes in management practices constituted a cornerstone for all other changes. The **Internal Management System** on the tea estates provided a widely appreciated platform for estate management and workers to discuss issues of common interest. Both groups consistently reported that their relations improved as a result of the UTZ programme, with estate managers coming to recognise the essential contribution of workers to better estate performance. Managers reported reduced absenteeism and improved work discipline. Workers increased their sense of ownership and responsibility for the performance of the estate, and appreciated the opportunities to acquire greater technical skills. Interestingly, workers also developed a more dualistic view on the role of unions, looking more critically at union demands for higher wages in relation to the business performance of 'their' estate.

A key change took place in the minds of estate management and workers. Both parties now better appreciated each other's roles. This deeper-felt change also applied to **gender** relations. Estates recognised the role of female workers in tea-leaf quality and productivity, with a few estates starting to appoint women as field supervisors. As a result, women have become more vocal and self-confident.

Estates have also started different **outgrower** models to reduce labour costs and improve productivity. These new arrangements may result in a win-win situation between estate management and workers, once there is an agreement about how risks and benefits are to be shared among the parties. However, this was not yet the case, and this development requires close attention.

Certified smallholders combined specialisation (for better tea production and quality) with farm diversification, investing in growing more crops. Such improved farm management makes smallholders more resilient to external shocks, and as a result they have become more independent in their decisions on tea production and selling.

Brokers and buyers made good use of the Good Inside Portal of UTZ (traceability platform), after initial obstacles had been overcome. They see the potential of the portal for marketing certified tea.

Changes in farming and manufacturing practices

The Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) promoted by UTZ have been adopted to a large extent and are highly valued. This has led to less 'clean weeding' practices (that would otherwise lead to more erosion), better handling of pesticides and fertilisers, and the adoption of better harvesting and plucking methods. This has resulted in higher yields, better tea-leaf quality and a reduced percentage of rejects. Smallholder farmers and workers also applied GAP to other crops on their farms and plots.

Current low profitability in the tea sector is limiting the use of additional labour, which may stand in the way of a sustained application of GAP due to its labour-intensive character. The same applies for further investments in tea bush rejuvenation and soil fertility, which has been adopted to a lesser extent. Better care for post-harvest handling (reducing transport time between harvest in field and factory; and adherence to hygiene requirements) and GMP in the factory (drying, sorting, fermenting) have consistently increased the quality of tea. Overall, the high costs of production remained a concern for certified estates and smallholders.

Changes in working and living conditions

The benefits associated with working and living conditions in certified factories and communities were clearly expressed by workers, men and women. Health, drinking water and gender-related improvements were the most frequently cited improvements. However, estates are facing difficulties in establishing the scope of their responsibility for improving living conditions for plantation communities. According to the estates, these communities are increasingly obtaining incomes from other external sources, hence becoming more independent from the estates. The evaluators also found that it would be premature to link other social improvements (such as education) to the UTZ training programme.

Environmental benefits

Environmental benefits featured least in the responses obtained. Actual changes or outcomes have not been observed in the field. Improvements with regard to use of pesticides and fertiliser, water use, biodiversity and waste management were modest. Climate change adaptation was an important concern for all interviewees, but they did not have clear ideas on how to address this issue. In our view the adoption of GAP already constitutes a solid basis for climate change adaptation. Improved water and soil (fertility) management is another pillar for climate change adaptation. But to sustain the GAPs required to achieve durable environmental outcomes, the high costs of labour are currently of overriding concern to producers.

Unintended changes

The most salient unintended change was the changed mind-set of estate management and workers, leading to improved relations within the tea industry. The unintended negative changes mentioned did not always relate directly to UTZ certification. They testified to the disappointments of different stakeholders as to the overall crisis in the tea sector, the low prices, lack of increased incomes and low sales of UTZ certified tea etc.

Sales of UTZ certified tea

The market for UTZ certified tea is still limited and has grown slowly over the past few years. Although this modest growth was understood by buyers and brokers in the capital, Colombo, expectations of a stronger market uptake of UTZ certified tea was raised by all value chain actors. It was acknowledged that the supply of UTZ certified estates did not always match the specific quality requirements of the market. Consumer preferences in the different tea markets complicate the branding and sourcing of tea. The percentage of UTZ certified tea sold as certified by the estates has declined in 2014 and 2015, reaching very low levels. This situation is disappointing for producers, and has led some estates to fail to renew their UTZ certification. A critical point here is that estate managers too easily assume that compliance with the UTZ Code of Conduct would automatically lead to sales of certified tea and the corresponding premium payment. Instead, the specific tea quality requirements of different markets require more attention and understanding by the estate managers.

UTZ premium

Though the business case for improved GAP and GMP was widely recognised by estates, the importance of the UTZ premium as the reward for certification has gradually gained more ground. Though in an absolute sense the UTZ premium is small, in the current crisis situation it is perceived as the main incentive to continue with UTZ certification. Moreover, internal communication between plantation companies and estates about the amount and spending of the premium is not transparent enough, sometimes causing frustration among estate managers. Buyers and brokers of UTZ certified tea on the other hand complain about the technical difficulties of negotiating a premium within the Sri Lankan tea auction system.

Sustainability

Due to the wide range of benefits, certified producers value UTZ as the most comprehensive voluntary sustainability standard. However, the business case for UTZ certification, initially derived from applying GAP and GMP, has gradually given way to a stronger focus on obtaining the premium from UTZ certified sales. As the GAP and GMP required for certification have become integrated in the day-to-day practices of estates, their positive effects are no longer being attributed to UTZ. However, UTZ is still seen as the best market-driven sustainability standard. UTZ is not a guarantee of profitability, because of other external factors affecting overall tea profitability. Many agricultural and management practices introduced by certification are likely to be sustained because of their intrinsic benefits, which are clearly perceived by estate management and workers. This confirms the UTZ Theory of Change as a solid foundation for sustained impact.

The major **external sustainability** challenge faced by the tea sector in Sri Lanka is the crisis in the global tea market, the relatively high production costs in Sri Lanka, and labour shortages in the tea sector. Climate change was often cited as an external threat, but without much real substantiation and/or a clear analysis.

The major **internal sustainability** challenges that UTZ certified estates face are the low levels of soil fertility and tea bush quality, labour force constraints for continued adoption of GAP, and the full understanding of market requirements, causing a mismatch between tea supply and demand. The evaluators see the internal management shifts on the estates and the lack of internal coordination between plantation and estate management as relatively minor challenges. The evaluators have not been able to verify if certification is economically viable for tea smallholders. This remains an issue worth investigating.

Aside from these challenges, the evaluation also identified a number of **sustainability opportunities.** Foremost, these opportunities are built on the already accomplished higher levels of knowledge of workers and improved relations between estate management and workers. On the estates this firm basis can, firstly, be used to elaborate, design and test mechanisation efforts, which could attract a younger generation to work on the estates. Secondly, it can be used to develop higher job positions for women on the estates. Finally, it can be used to design and agree upon outgrower schemes that deliver a win-win situation between estates, workers and smallholders. Beyond tea production, the promotion of sector-wide stakeholder coordination meetings, as initiated by the UTZ programme, offer an excellent basis for further coordination, collaboration and communication across the entire tea sector.

Conclusions

The social, economic and environmental benefits of UTZ certification are widely and consistently appreciated by estates, workers and smallholders. Fundamental management changes and a shift in mindsets appear to be the basis for sustained social, economic and environmental benefits.

A systematic comparison between certified and non-certified estates was difficult to make. Certified estates generally implemented higher GAP and GMP standards than non-certified estates. Certified workers enjoyed better relations with estate managers, and better working conditions than non-certified workers. Smallholders scored better in terms of overall tea-leaf production and quality, and in-farm diversification, as compared to non-certified smallholders.

Technical improvements have resulted in higher yield levels, improved plucking techniques, reduced tea-leaf rejects and better processing quality. To a large extent these improvements have been internalised by producers and workers, leading to a higher default standard for production and quality.

The contribution of UTZ to these outcomes is best explained by a shift in the mindset of both managers and workers, which has led to improved relations, the adoption of GAP and GMP, and the systemic involvement of other tea institutions.

The highly positive appreciation of estate management about the social and economic changes is negatively affected by the current crisis in the Sri Lankan tea sector. Workers' appreciation is very strong because of the greatly improved recognition by estate management of their crucial role in sound business performance; this may hold true more for women than for men. Smallholders' appreciation of UTZ is not limited to tea production, and has improved overall farm performance. Higher value chain actors appreciated the potential of UTZ, but clearly observed the gaps between supply and demand of UTZ certified tea.

The external sustainability challenges affecting the entire tea sector are beyond the scope of influence of UTZ. The image of UTZ in Sri Lanka is challenged by the small market uptake of UTZ certified tea. The main internal sustainability challenges are the need for long-term investments in soil fertility and tea bush rejuvenation. Furthermore, low labour productivity and a lack of understanding of tea quality requirements of the different tea markets affect the overall success of UTZ certification.

Recommendations

Better promotion of UTZ markets is the key recommendation. This promotion must be jointly carried out by stakeholders in destination markets with those in Sri Lanka. Efforts and progress with regard to this UTZ promotion in destination markets must be duly communicated to Sri Lankan stakeholders, in order to maximize their commitment and interest. Such promotion must make better use of the UTZ website and Better Business Hubs. Case stories of the use of premiums in plantation communities and by smallholder farmers will serve to strengthen promotion efforts. All value chain actors must have the same understanding of UTZ market quality requirements and its consequences for UTZ certified tea production.

With regard to the **premium,** it is recommended to agree on fixed calculations and/or procedures for all market or trade transactions, in particular for the auction system.

The **expansion of UTZ certified estates** must be tailored to the growth of the UTZ market, selecting the tea estates that supply tea aligned with UTZ market demand and, possibly, limited to those tea estates that have the best tea bush conditions.

A new **UTZ training programme** has to use the resources and experiences of the estates when developing new training modules. Apart from training, more attention is needed to support staff in coaching and monitoring knowledge application. Issue-based committees could take a lead role in knowledge application after training. In terms of trainees, more young people should be included. A monitoring and evaluation system, tailored to the Theory of Change and different stakeholder sub-categories (gender, youth), must be applied.

It is recommended to closely coach **smallholders** on the use of recordkeeping in farm management and UTZ certification, internal control system management; and ensure full knowledge of smallholders on all the possibilities of UTZ certified tea. In addition, it would be relevant to investigate the viability of tea smallholder business models, in collaboration with the Tea Small Holders Development Authority and other relevant institutions.

Climate change management needs more systematic attention to develop the best approaches to manage or adapt tea production. Foremost, it is important to focus on the application of higher quality GAP in the field for optimal resilience of tea production against climate change. In that light it is desirable to consult with key institutional stakeholders such as the Tea Research Institute, and field-based stakeholders such as estates and smallholders, on currently known components and performance criteria that constitute the best practices for climate change adaptation or management. Maintaining links with knowledge institutions such as the Tea Research Institute in order to constantly update new insights and exchange field-based experiences will be an important component of such collaboration. Possibly, pilot sites on estates could be set up with research or knowledge institutions.

In view of the other sustainability standards in the market, it is important to agree on one uniform audit procedure and document to reduce the burdens on tea producers.

1. Introduction

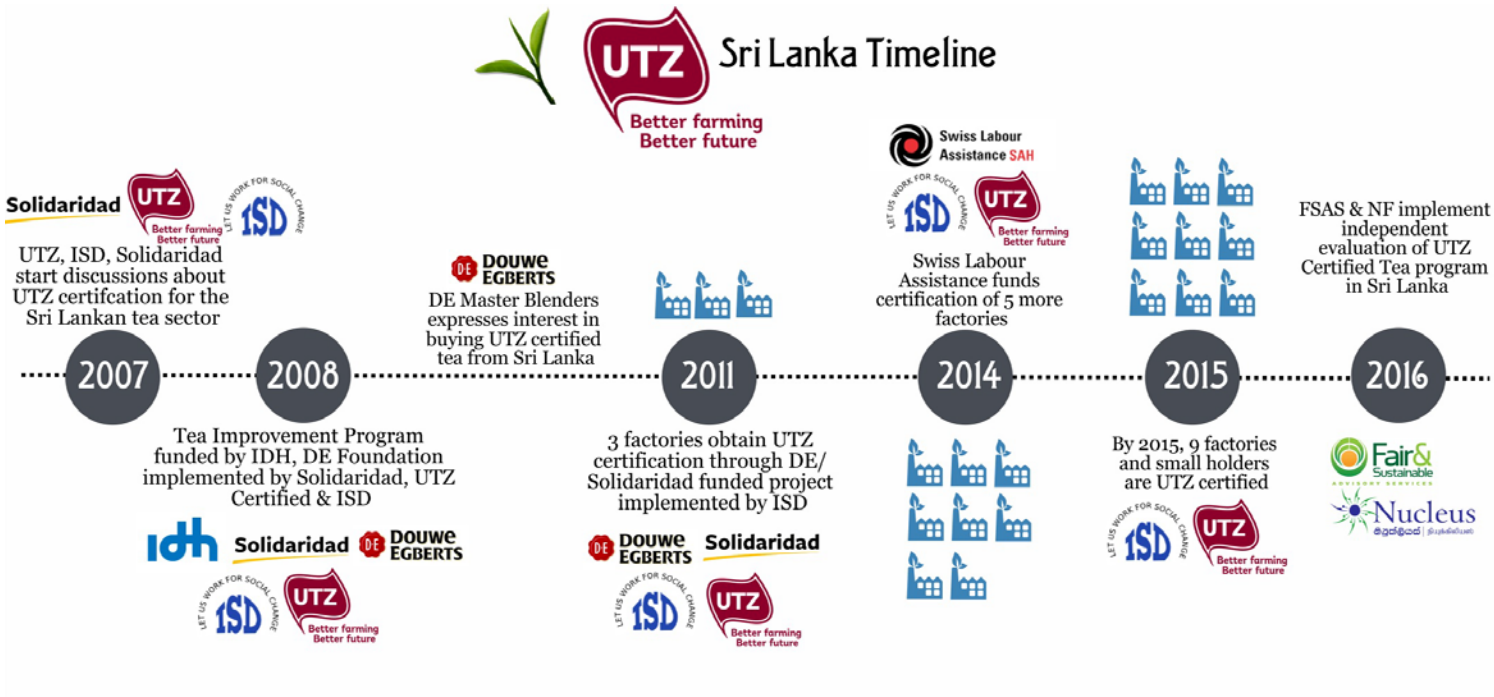
1.1 History of UTZ in Sri Lanka

The UTZ tea programme in Sri Lanka formally started in 2011 with three certificate holders, and gradually expanded to seven certificate holders in 2015. Many of these certificate holders are tea estates, managed by plantation companies that may have up to 20 estates under their supervision. The UTZ certification scheme also includes groups of smallholders. All UTZ certified tea estates and groups are situated in the central highlands.

The Sri Lanka UTZ programme started when Douwe Egberts Master Blenders committed to buying UTZ certified tea. A programme to support the certification process was developed by Douwe Egberts Foundation and Solidaridad. It was funded by Douwe Egberts Foundation and implementation was contracted to Solidaridad Netherlands, who channeled it to Solidaridad Asia, its office in India. Actual implementation was then sub-contracted to the Institute of Social Development, a well-regarded and widely known organisation working in the tea plantation sector in Sri Lanka. UTZ was involved indirectly.

Prior to the start of the UTZ tea programme, UTZ had already been introduced in Sri Lanka in 2008, when a Tea Improvement Programme, funded by Initiatief voor Duurzame Handel and Douwe Egberts Foundation, was implemented by Solidaridad and UTZ across several countries including Sri Lanka. Solidaridad worked on the development of the supply of certified tea; UTZ worked on the development of the demand side. The demand for certified tea remained low. When Douwe Egberts Master Blenders committed itself to UTZ tea, demand improved.

At the same time the Institute of Social Development, having met UTZ and Solidaridad during a workshop in the Netherlands in 2007, started working in Sri Lanka on the supply side. The Institute became convinced of the added value of the UTZ standard above other certification standards, because it recognised UTZ as more holistic and systemic, dealing with all components of sustainability: economic, social and environmental. They considered the UTZ certification system an excellent means of improving conditions for workers, and productivity among smallholders. The Institute of Social Development used the period of 2008-2010 to meet, lobby and mobilise all stakeholders in the tea sector, encouraging them to adopt the UTZ standard, and from 2011 onwards it was the implementing agency. During the implementation period, the Institute received technical support from Solidaridad (India) and UTZ, and made use of the technical expertise of other Sri Lanka tea players, amongst whom the Tea Research Institute and Tea Small Holders Development Authority were the key organisations. The Sri Lanka Standards Institution, a government body (and one of the three certification bodies in Sri Lanka) carried out the annual audits for certification. The timeline below gives a summary of UTZ's history in Sri Lanka.



1.2 Purpose and goal of the evaluation

Purpose: to inform UTZ and other stakeholders about the outcomes of the UTZ tea programme in Sri Lanka, and to draw lessons and recommendations for UTZ and other stakeholders.

Goal: to identify, describe and evaluate from the perspective of different stakeholders the social, economic and environmental outcomes of the UTZ tea programme 2011-2015 in Sri Lanka. Evaluation findings should be contextualised with reference to the situation in the Sri Lanka tea sector, the UTZ Theory of Change (expected pathways of change and outcomes), and broader trends within the sector of voluntary sustainability standards.

The evaluation was expected to present a **holistic and systemic** picture of the different UTZ components and the outcomes it has produced in the economic, social and environmental field. The systemic nature of this evaluation has become a key point attention in two complementary ways:

1. By looking at the entire tea value chain, not just at the production side, by adding the perspective of brokers, buyers, exporters and (end) buyers, as well as value chain supporters.
2. By looking at the broader national context and setting of the tea industry in Sri Lanka and the external global market for tea, an aspect that gradually gained more and more prominence during the evaluation.

The terms of reference specified the following guiding questions for the evaluation:

Main questions

- ✓ How and to what extent has the UTZ programme in Sri Lanka contributed to economic, social and environmental improvements on tea estates, factories and smallholder farms in Sri Lanka?
- ✓ Who benefits from the certification programme? In what way(s)?
- ✓ How are these improvements valued by different stakeholders? Stakeholders to be taken into account are estate owners and managers, hired workers, smallholders, trade agents and brokers, buyers/industries, implementing organisations, certification bodies and UTZ staff.

Sub questions

- ✓ What are the main sustainability challenges for tea estates, factories and smallholder farmers in Sri Lanka in the economic, social and environmental domains?
- ✓ What characterises current social, economic and environmental conditions and practices on UTZ certified tea estates, factories and smallholder farms?
- ✓ How do conditions on UTZ certified estates, factories and farms compare to those on comparable non-certified estates, factories and farms?
- ✓ To what extent have conditions and practices on UTZ certified estates, factories and smallholder farms improved over the past four years?
- ✓ What and how did the UTZ programme contribute to these improvements?
- ✓ What do these improvements mean for different stakeholders?
- ✓ How can UTZ improve the relevance and effectiveness of its programme in Sri Lanka?

The terms of reference referred to the current low supply/demand ratio for UTZ certified tea from Sri Lanka, mentioning three specific reasons: 1) much UTZ certified tea is sold to markets that do not yet demand sustainably produced tea, 2) multiple certification standards, and 3) mismatch between types and qualities produced and those demanded by existing UTZ markets. These reasons have been taken into consideration during this evaluation. For more details of the terms of reference, see Annex 1.

1.3 Methodology and evaluation steps

The key methodologies used by this evaluation were the **Theory of Change** and the **Most Significant Change.** These methodologies are interlinked and overlapping. The choice of these two methodologies also underlined the **qualitative** character of this evaluation.

The **Theory of Change** was mainly used to look at the level of expected outcomes (=change) in the Theory of Change developed by UTZ, to assess which of those expected outcomes are effectively observed or mentioned by respondents; and whether these outcomes are likely to contribute and lead to the desired impact. Respondents were simply asked to explain the different changes they had noted without using specific terminology such as effects, outcomes or impacts. Usually such stories of change illustrate different levels of changes that are interconnected: such as improved GAP and higher yields; or increased knowledge of GMP and a bigger sense of ownership. That feedback helped the evaluators understand the underlying process of change. The unbiased stories or feedback on changes also allowed the evaluators to assess whether the overall UTZ Theory of Change had overlooked aspects of change that apply to the tea sector in particular.

The **Most Significant Change** methodology was not used in the classical way by looking for the one most significant change, but rather to collect all possible changes – positive or negative, intended or unintended – mentioned by the individuals or groups interviewed as the likely result of implementation of the UTZ programme.

Both methods served well to complete the overview of changes within the three domains of change: **economic, social and environmental**. By meeting and interviewing actors and organisations within the entire tea value chain – not limited to the UTZ certified production level only – the evaluation obtained a wider view of changes occurring throughout the entire tea sector. This resulting wider systemic view on changes has enriched the findings and conclusions: it enabled the evaluators to better read and interpret UTZ-related changes and improvements vis-à-vis changes and challenges in the wider sector.

The evaluation assessed gender on the basis of the **gender responsive programme** tool, questioning three aspects: 1) proper gender analysis in the tea sector and chain; 2) sound design and relevance of the UTZ training programme, and 3) gender differentiated monitoring, evaluation and analysis. Though explicit gender reference was lacking in programme reports, feedback received during this evaluation was very positive in terms of overall gender-related improvements. This evaluation did not pay explicit attention to area 1, gender analysis, but feedback on area 2 – and area 3 in particular – highlighted important steps forward. This applied in particular to the voice, role and position of women in the workers category.

Data collection: actual data collection started with a brief desk analysis of UTZ documents and reports in the Netherlands, and this was followed by interviews with Netherlands-based partners (see Annex 3). This helped the evaluators understand the focus and content of the programme, and the roles and expectations of key implementation partners. This also contributed to the finalisation of interview formats for the evaluation task in Sri Lanka, which served well to establish closer working relations between Nucleus Foundation and Fair & Sustainable Advisory Services, and a shared understanding for this joint evaluation. Parallel to this process of data collection, the evaluation has conducted a household survey to collect more quantitative information.

The data collection had a largely **qualitative** character, but was supported as much as was feasible with **quantitative** data. The qualitative data collection happened through **the use of open questions** in interviews with key informants along the entire value chain, both in the field and in Colombo, and focus group discussions with estate, field and factory workers and smallholder farmers (men and women). Data collection also included interviews with implementing partners in the Netherlands (mentioned above), India and Sri Lanka. The interview questions were based on the selected evaluation methodologies. A sample of an interview format is presented in Annex 2.

Generally, the qualitative open questions served well to generate stories and reasons of **change** as a result of UTZ, and the wider setting of these changes. Quantitative information on key production levels, quality of plucked leaves, rejection percentages and the like illustrated the trends of the changes discussed. The availability of this quantitative information varied among respondents. As shown below, the household survey did not generate a sufficient amount of quantitative information.
It was interesting to note that once the character of this evaluation – independent and not representing UTZ - was clear to respondents, the depth and openness of the information given was considerable.

The willingness of UTZ to learn and improve was clearly spelled out and generated a more open interview setting.

An overview of all interviews and visits is presented in Annex 3, evaluation calendar.
Hereunder follows the overview of certified estates and smallholders that were visited and interviewed.

Name	Plantation company	Year of certification
Pedro	Kelani Valley Plantations	2012- 2015
Nuwara Eliya	Kelani Valley Plantations	2015
Uda Radella	Kelani Valley Plantations	2015
High Forest	Maturata	2011-2015
Liddesdale	Maturata	2011-2015
Ragalla	Maturata	2015
Radella	Talawakelle Plantation	2011-2015
Court Lodge	Finlays	2011-2015
Kelaneiya en Breamer	Privately owned	2011-2014[1]
Keppetipola factory[2]	Smallholders	2009-2011
Loonuwatte	Smallholders	2009-2011[3]
Liyangahawella	Smallholders	2015
Maha Uva	Control estate	
Gonapitya	Control estate (currently Maturata, but only recently)	

Household survey

The household survey served as the basis for **quantitative data collection**, trying to compare UTZ related changes and improvements between smallholders and control group farmers. The selected control groups were non-UTZ certified factories and smallholders in close proximity to UTZ estates and factories. This survey was administered by trained enumerators with the help of senior researchers from Colombo University. A small sample household survey was conducted during the evaluation period, with the larger part carried out after the evaluation period. The final results were presented in a separate survey report and then used for enriching this overall report.

The profile of smallholders and control group covered by the household survey, did not differ much when looking at the following basic characteristics:

- On average long experience with tea growing in terms of number of years: 20.
- Small, nucleus households of four members: two parents and two children.
- 90% Singhalese, 10% Tamil.
- Small land size: just above one acre per household, mostly (85-90%) individually owned.

[1] The estate decided to discontinue UTZ and is now applying for Rainforest Alliance certification.
[2] Officially this factory is owned by smallholders, but the bureaucratic management structure is complicated, implying a shared arrangement between smallholders and government.
[3] Farmers are now selling to BioFoods.

But differences were noted with regard to:

- UTZ smallholders had a more balanced method of propagation (both vegetative propagation and seedlings: 60% and 40% respectively) than the control group (85% and 15% respectively).
- It was noted that the control group had previously received various other types of support for their tea cultivation. Though the level of this support, compared to the UTZ training programme, may have been much lower.
- UTZ smallholders had an estimated average total household income twice as high as the control group.
- Control group farms were less diverse than those of certified smallholders. Control group farms were closer to a 'tea monoculture' in terms of income sources and diversification.

Facilitation

For very practical and logistical purposes, two key staff members from the Institute of Social Development supported the evaluators during the preparatory stage, establishing contacts with UTZ certified estates and smallholders, introducing the evaluation to them, travelling together to the various estates and sites, and at times conducting interviews where the need for translation (Tamil) existed. This engagement was essential for arriving at a feasible and manageable evaluation calendar.

From data collection to data analysis: validation or triangulation

Collected data must be cleaned and validated in order to generate reasonably credible facts. The evaluators used the following steps to achieve this.

- **Two evaluation teams** operated in parallel: one Nucleus Foundation and one Fair & Sustainable Advisory Services staff member. Each team was assisted by a staff member of the Institute of Social Development. This combination provided a good basis for exchange and validation of first impressions in between the different daily interviews.
- **End-of-day reflection**: the two teams briefly met to discuss daily findings, compare notes and impressions, discuss any methodological issues and adjust the schedule for the next day. This constant reflection also served well to better and more quickly understand the answers in the next interviews and ask clarifying questions. Answers from one particular interview were also anonymously used to get the comment from the next interview. In this iterative fashion the quality of answers was also triangulated.
- **The Institute of Social Development's involvement** as a direct implementer, conducting interviews and translating information, was not an ideal situation because of the risk of conflicts of interest. However, the more passive knowledge of Tamil of the evaluation team was sufficient to keep track of the quality and content of the translated information. The end-of-day reflection sessions with the entire team also served to check and validate as much as possible the collected information between the evaluation team and Institute of Social Development colleagues.
- The systemic information constantly and informally provided by the Institute of Social Development about the overall tea sector situation also contributed to the evaluators' wider understanding of key issues: this system information during the Colombo interviews, which the Institute of Social Development did not attend. The role and added value of the Institute was also one of the interview topics.
- **A validation workshop** at the end of the evaluation period in Sri Lanka served to present the first preliminary findings to selected key informants. The attendance rate was less than expected and it generated little extra insights or information. Most information was confirmed by the attendants. As a matter of fact, this validation had more of an accountability function – knowing what the evaluators had concluded – than a learning and filling-the-gaps function.
- **Household survey**: the quality of information generated by this survey was less useful for validation purposes than expected. The reason for not using the household survey data is that the control group and the treatment group were so different in many aspects that a much larger sample size would be needed to control for the (pre-existing) differences.

For the formulation of the findings, data analysis has focused on determining – at a plausible and reasonable level – the extent of the contribution of the UTZ programme to observed improvements. This contribution analysis has been carried out with the help of two key methodologies, the Theory of Change and the Most Significant Change. To some extent the household survey confirmed the qualitative data collected in the focus group discussions, but the evaluators agreed that it was preferable to assign a greater weight to the change trends in production, quality, prices – increasing, stagnating or decreasing - by comparing the 2011 and 2015 situation and adding possible reasons for such trends.

It was also decided not to quantify the qualitative information gathered through the open interviews. Though respondents were asked the same questions, the quality, depth and extent of responses varied a lot. It was therefore not possible to add a quantitative flavour to these responses, for example by stating that 7 out of 12 estate managers responded like this to a particular question. That would have lumped answers together without a sound comparative basis, creating an unreliable picture that could not be justified. Finally, the absolute figures or numbers as generated by the household survey were not reliable and/or consistent enough to be used in the overall assessment. Because the survey did not collect the reasons for changes in predetermined categories this has limited the evaluators' understanding of the control group situation in particular. The evaluators used only survey information for the final report that could be reasonably understood in terms of coherence and setting.

1.4 Challenges and limitations

The evaluators faced several challenges or limitations during this evaluation. These have been managed as well as possible.

Open question format: the character of open questions was not always directly understood by respondents. Some respondents were extremely talkative, once given the floor. It required a strong focus from the interviewer to keep track of answers and manage the interview. The available time for these open interviews did not allow for proper verifying of the quantitative data supplied by certified estates and smallholders.

Focus Group Discussions were more difficult to arrange than anticipated. They took place in the factories, and the number of people attending varied enormously, often combining men and women. The selection of participants was not always done at random, but rather based on availability at that specific time and moment, and depending on the urgency of field or factory operations on the estate. Though the evaluators aimed to select the people who had been trained by the Institute of Social Development programme, many of those who had been trained were no longer employed by the estate. The nature of open questions served well to invite the participants to present and share their experiences. The evaluators managed to collect feedback from both men and women, gently avoiding a domination of one category over the other. In most cases, managers left the focus groups discussion when the evaluators requested them to do so in order to give maximum space for workers to give their answers.

Logistics: travel distances were long, especially in the field, thus limiting available time for discussion with managers and workers. This was reasonably managed, but it limited time for team reflection (see next point).

Data management proved to be a challenge at times. Time was lacking in the evaluation calendar to properly discuss and learn about all collected information by the entire team. At pair level, interview notes were combined and made available for report writing.

In view of the overall consistency in the collected data on improvements seen, these limitations have not significantly affected the quality of findings and conclusions. The evaluators have achieved sufficient rigour and credibility of findings and conclusions.

2. Context of the Sri Lanka Tea Industry

Tea was introduced to Sri Lanka by the English colonial government at the end of the 19th century. Over the years Sri Lanka has positioned itself as the country that produces high quality, authentic Ceylon tea. Many of the industry's physical facilities and equipment - factory installations and plantation communities - bear witness to this long history. After independence in 1950 the government nationalised all tea plantations and factories. But this state-led tea industry did not produce the results expected, and in early 1990 the government decided to privatise the plantations and factories, inviting companies to run them instead. Land remained owned by the government.

Today the tea sector is the third biggest foreign exchange earner in Sri Lanka, after the tourist and garment sectors. However, its contribution to GDP has gradually declined over the past few decades, forcing the government to pay greater attention to its performance. The government has established various institutions to try and support the industry (Tea Research Institute, Tea Small Holders Development Authority, Tea Board and Ministry of Plantation Industries), and also intervenes actively with specific tea-related policies and subsidies for tea producers, estates and smallholders. These policies are, however, not appreciated in equal measure by tea producers. The Planters Association for example provided critical feedback on the ban on certain pesticides, arguing that no proper analysis of the underlying reasons had been made by responsible government bodies. Estates complained about the removal of fertiliser subsidies. Both issues caused uncertainties for tea growing operations and forced estates to spend more on inputs, which aggravated their weak financial situation.

Currently, three different types of estates exist:

- privately owned estates
- large companies owning multiple estates (these might be companies that also own rubber plantations or other commodities in Sri Lanka, or tea plantations abroad)
- government-owned estates

Around 400,000 smallholder farmers produce 70% of Sri Lanka's tea, from 50% of the country's total tea acreage.

Almost all trade is carried out through an auction system. In general, the Colombo-based stakeholders the evaluators spoke to were quite positive about this system, because it provides a highly transparent trading system. A criticism raised by final buyers in destination markets is the lack of direct relations with the estates that they like to buy from. This decreased effective communication and mutual understanding of supply and demand.

World market

The position of Sri Lankan tea in the world market is being affected in two ways: firstly, by competition from other tea producing countries, notably Kenya and India, which offer tea for lower prices. Production conditions in Kenya on flatter fields have stimulated mechanisation and reduced labour costs. Secondly, previous destination markets for Ceylon tea have been affected by economic crisis (the ruble crisis in Russia) and war in the Middle East (Syria, Iraq). Other important markets (UK, Egypt and Pakistan) which used to consume orthodox Ceylon tea have moved to crush, tear and curl (CTC) tea from Kenya.

The top five markets that Sri Lanka exports to (CIS – Commonwealth of Independent States, Russia, United Arab Emirates, Turkey and the Middle East) are not yet markets that look for certification. But Sri Lanka does not want to lose opportunities for developing new markets, even if they are small. The county still wants to access markets that demand the high quality tea for which it is known. Sri Lanka produced 7% of the 2010 world tea production (roughly 330,000 metric tons), and exported about 300,000 metric tons.[4]

The European market for Ceylon tea is rather small, about 9% of total tea consumption, which stands at about 150-160,000 tonnes per year (average volume over 2009-2013).[5] Moreover, European buyers often have specific quality requirements that tea estates in higher altitude areas of Sri Lanka do not produce. They mostly ask for crush, tear and curl type tea for tea bags, and not many estates produce this. It is generally difficult for estates to shift from one type of tea to another, as it requires heavy investment.

Sri Lanka is specialised in tea production; relatively little value addition takes place in the country. In view of this situation, some argue that Sri Lanka should develop more value addition and then acquire a strong position in the world market.

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[4] ITC 2010; in *Initiatief voor Duurzame Handel tea sector overview*, October 2011, Michael Groosman

[5] See https://www.cbi.eu/sites/default/files/product-factsheet-tea-europe-2014.pdf

They firmly believe that national tea-based experiences, skills and abilities are strong enough to develop the tea industry in this direction in the future.

Current Sri Lankan tea production is characterised by low labour productivity caused by, firstly, difficult physical terrain conditions: the hills and mountains describe a beautiful and romantic image, but lead to low plucking quantities per day; this is aggravated by the hand plucking system practiced, which is highly labour intensive. The authenticity of hand plucking is considered the unique selling point of Sri Lankan tea – the possibilities of mechanisation in the tea sector are therefore a topic of debate.

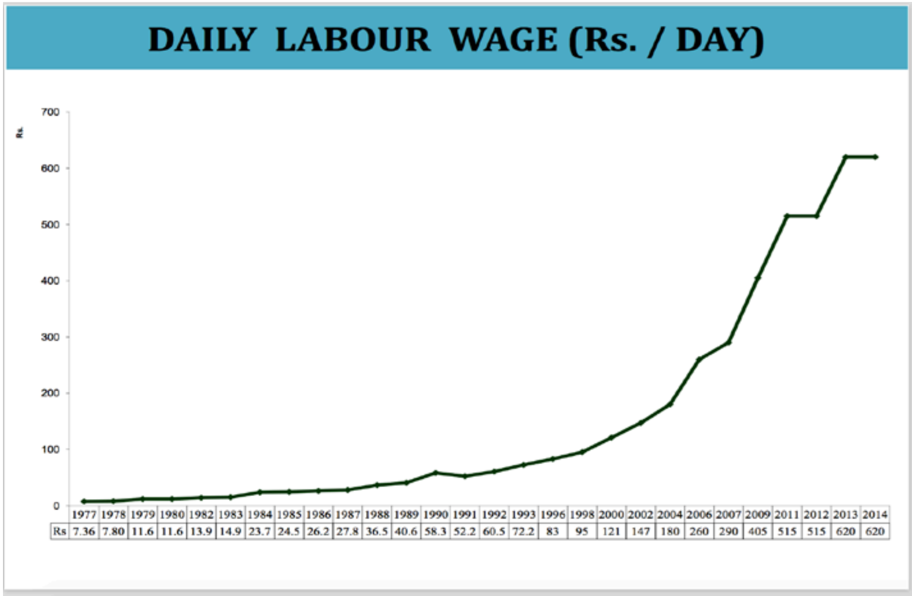
Labour force

The second factor determining low labour productivity concerns the prominent role of the unions. In view of the large size of the tea sector, employing more than 300,000 workers[6], working and living conditions have always received much attention. Labour unions obtained, and still have, a strong political profile, with representation in parliament. The unions sit together with the government and plantation companies for two-yearly collective agreements on wages and related issues, although the current collective agreement has not yet been signed. Based on feedback from the Planters Association, labour wages have gone up from 62 rupees per day in 1992 to 620 rupees in 2014; presently, the demand in the latest agreement is 1,000 rupees. The figure below shows the rate of wage rises over the past few decades.

The unions have not only succeeded in raising wages, but also in reducing daily labour requirements (e.g. for plucking tea). In Sri Lanka they are much lower when compared to other tea producing countries: Sri Lanka is 18 kilos per day, while India is 28 kilos per day and Kenya 48 kilos per day.[7]

The overall feedback of estate management and Colombo stakeholders agree on the following. The protection of workers' rights has put Sri Lanka in a more disadvantaged position in relation to all other tea producing countries. Wage negotiations are currently critically affecting the profitability of the entire tea industry. The collective agreement in which all wages and related financial benefits are laid down bears too little a relationship with the worker's actual productivity. Labour costs constitute about 70% of total production costs. These are, per kilo of tea, around 450 rupees, which is close to or exceeds selling prices at auction, which are often around 400 rupees: the net result is a loss-making industry.

Another key obstacle the industry is facing is a shortage of labour. The tea sector has lost its attractiveness for workers; the workforce is ageing; other urban sectors are more appealing to young people. This lack of workers is a key concern for management, and is also leading to efforts to experiment with mechanisation and outgrower modalities by various estates.



	1977	1978	1979	1980	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1996	1998	2000	2002	2004	2006	2007	2009	2011	2012	2013	2014
Rs	7.36	7.80	11.6	11.6	13.9	14.9	23.7	24.5	26.2	27.8	36.5	40.6	58.3	52.2	60.5	72.2	83	95	121	147	180	260	290	405	515	515	620	620

Source:
http://www.mpid.gov.lk/en/images/NPA_UNDP/13_Mr_Roshan.pdf

[6] CARE, briefing paper, 2013

[7] Plantation Association figures.

Land and tea bush productivity

Finally, land and tea bush productivity are generally low. The current industry crisis is not favouring investments in land productivity or the replacement of old tea bushes with new ones. This may lead to a slow deterioration of the production base.

History of standards

Over the last few decades various performance standards have been introduced, starting with ISO type standards for factory management (ISO 22000), and gradually moving to the introduction of voluntary standards such as those of the Ethical Tea Partnership, Fairtrade and Rainforest Alliance. UTZ is the last voluntary sustainability standard to be ‘pushed’ by external market actors. Voluntary sustainability standards differ in terms of the attention each pays to production, social and environmental dimensions, as well as to markets. The Ethical Tea Partnership and UTZ are the only standards that are tea specific.

The Ethical Tea Partnership standard was developed and underwritten by tea buyers themselves; Douwe Egberts Master Blenders is also a member of the Partnership. The Ethical Tea Partnership has restricted itself largely to social and environmental (use of agrochemicals) standards. The memorandum of understanding signed between UTZ and Ethical Tea Partnership reflects the understanding that once an estate is UTZ certified, it is also Ethical Tea Partnership compliant. This reduced the certification burden on producers. Ethical Tea Partnership has signed memorandums of understanding with other voluntary standards as well.

Rainforest Alliance was introduced before UTZ started. Although Rainforest Alliance includes social criteria, it focuses in particular on environmental issues. It did well in terms of marketing and is currently the Sri Lankan market leader, with Unilever as its main buyer. Unilever committed[8] itself to source 100% of its tea for Lipton tea bags globally from Rainforest Alliance certified farms by 2015, with 100% of all tea sustainably sourced by 2020.

The initial introduction of UTZ by the Institute of Social Development was viewed at the time with hesitation and frustration as just another imposed standard. But in spite of this, UTZ gained appreciation for its focus on production and manufacturing, as illustrated by the Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP). In particular, it focused on plucking and processing as key steps in the entire chain, and the biggest determinants of final tea quality. The key instrument to assuring this quality is keeping records, essential to helping people systematically learn from errors and improve plucking and processing. This more technical and business rationale of UTZ was highly appreciated and offered a convincing entry point for its acceptance by tea estates. Compared to all other standards, UTZ was seen as the most comprehensive standard of all. The emphasis on the business rationale of UTZ also led to estates and companies to better understand the added value of UTZ for them including a bigger weight on obtaining the premium.

Plantation companies have realised that sustainability standards will become more and more of a standard market requirement. However, the current feeling is that too many different standards exist and that their merger would be beneficial for producers. Tea sector institutions expressed the need to incorporate all of the different existing standards into one.

[8] https://www.unilever.com/sustainable-living/the-sustainable-living-plan/reducing-environmental-impact/sustainable-sourcing/sustainable-tea-leading-the-industry/

3. UTZ Training Programme

3.1 Characteristics of the programme

Rationale of UTZ training programme

Sustainability is one of the key components of the UTZ code. If this sustainability is to become effective, then all stakeholders must be aware of its precise content and contribution to the tea industry. This therefore involves training at all management levels, as well as field and factory workers and smallholder farmers. This training focuses on key tasks and responsibilities with regard to control points that each person or level has to comply with. Within the tea estates this implied that workers should have the same level of knowledge and understanding as managers. This constituted a major shift in attitudes, moving away from traditional working and hierarchical relationships on the estates and in factories. Training for the estates also included training managers at the plantation companies these estates belong to. Plantation company management plays a key role in work plans, target setting and budget allocation per estate, and strategic commitment and support to UTZ (and other standards).

The training, combining knowledge transfer and awareness raising, has been a key asset of the UTZ certification process and was highly appreciated by all stakeholders, both at the production and manufacturing level as well as higher up the value chain. Training of higher level stakeholders and institutions had a more limited character, focusing on their specific role in the value chain, and understanding the basics of UTZ certification.

The entire UTZ programme in the tea sector in Sri Lanka was driven by the Institute of Social Development through projects supported by Solidaridad India and Swiss Labour Assistance. These projects included hardware support such as provision of safety equipment and clothing, and software support in the form of training and capacity development of estates, workers and smallholders. In addition, this UTZ programme included higher level coordination meetings, often at national level, for all relevant tea value chain stakeholders.

The key position and recognition of the Institute of Social Development within the tea sector allowed them to mobilise the best and most competent trainers and people for these training tasks. Many of the stakeholders interviewed spoke very highly of the role played by the Institute and generated a very positive picture.

Content of training, topics

Training content was determined by the Institute of Social Development, based on a gap analysis at the start of the training. This gap analysis, using the UTZ standard as a reference tool, served to establish the baseline situation of the estates (which had been identified by Douwe Egberts Foundation and Solidaridad). Training content was agreed with stakeholders; in the case of the estates suggested training was communicated to higher management in the plantation companies. The content varied between the different estates based on this gap analysis and previous training inputs received, as identified by other certification standards. The quality of the previous training by other certification standards was also taken into consideration.

Table 1 presents an overview of the essential training provided by the Institute of Social Development for UTZ certification to all estates, and the number of people trained. In Annex 4 a more in-depth overview is provided on these training topics, specifying the training title, main content per topic, duration, frequency, target group, resources and means of training. The content of each specific training title is adapted to the main target groups: top management, middle management, worker leaders, workers and smallholders. For example, training on gender has a different meaning and content depending on the category of participants.

This overview also shows that extra topics have been added to the UTZ training programme that do not strictly belong to UTZ certification requirements: youth skills development and various health, education and housing-related topics and support.

Table 1: Overview of training topics and participants per estate

Programs / Estates	Pedro	Courtlodge	Highforest	Liddesdale	Ragalla	Nuwaraeliya	Udaradella	Radella	Walapane Smallholders	Liyangawella Smallholders	Alakollawewa Smallholders
UTZ Orientation	42	24	27	20	28	23	18	26	48	16	21
GMP	54	32	36	26	35	23	22		32	17	12
GAP		108	138	42	36	93	44		132	75	54
Occupational Health and Safety		22	28	24	28	29	12	11	54	32	30
Integrated Pest Management		37	42	29	31	36	37		64	40	15
Gender		36	42	28	41	31	24				
Workers' rights		23	28	20	18	26	17				
Water & sanitation						48	52				
First aid		✓	✓	✓	✓	✓	✓		36	26	4
Child rights		30	38	27	31	33	18				
Women's rights		29	35	16	21	18	16		54	17	13
Exposure visit									✓	✓	✓
Migrant workers	25	20	20	20	18	22	12				
Equipment provided	58		54	124	90						
Signage provided	125	85	124	120	58						

✓ = denotes activity conducted but participant numbers not available

Observations:

1. training on GAP also included the training of trainers (TOT), as participants were expected to transfer their knowledge to their colleagues.
2. Signage provided are for the different boards for buffer zones and the different safety precaution measures.

Selection of estates

The first identification and selection of estates to be certified was carried out by Douwe Egberts, based on the quality of tea produced and market demand. When the Institute of Social Development carried out a gap analysis on these estates, it noted that some of them did not meet the minimum conditions specified by the UTZ Code of Conduct, and weren't able and/or willing to invest in this sufficiently. The Institute therefore decided to add further estates that showed an interest in becoming UTZ certified to the initial list. These were often estates that weren't linked to Douwe Egberts.

Training participants

- **Estate staff and workers**: all categories of staff within the estates and factories are trained, so that knowledge and understanding are widely shared according to the specific roles and responsibilities each person has. Training also included other residents living in the estate community, but who are not working on the estates. That training related to social topics - child rights violations, domestic violence – but also vegetable growing and home gardening. The rationale for this wider coverage was clear: positive results and lasting change depends on a wider sharing of skills and insights by all who are living in the households and communities.

- **Plantation company management**: senior management who have a role in certification standards and marketing.

- **Smallholders:** with an emphasis on dual strategy: 1) increase production and 2) reduce costs. Training on record keeping was key to achieving this strategy.

- **Other tea value chain stakeholders**: Tea Research Institute, Tea Small Holders Development Authority, Ethical Tea Partnership, Sri Lanka Standards Institution;

this training was less focused on technical topics and more on general UTZ certification topics, in order to understand the scope and relevance of UTZ as compared to other voluntary standards. Training was tailored to the specific role of these institutions in the UTZ standard.

Expert collaboration

The Institute of Social Development introduced UTZ to several tea sector organisations in the period preceding the start of the UTZ programme in 2011, namely the Ethical Tea Partnership, Tea Research Institute and Tea Small Holders Development Authority. The Ethical Tea Partnership introduced certain estates to UTZ and provided training on pesticides. The Tea Small Holders Development Authority also played a role in the identification and selection of smallholders for UTZ certification, as well as tea factories to be certified. Even the Sri Lanka Standards Institution, the government certification body, engaged itself in promotion of UTZ at the request of the Institute of Social Development. Technical staff from these institutions was mobilised for training estates staff, workers and smallholders, whereas the Institute of Social Development used its own in-house expertise on social and labour rights issues in particular.

Training method and approach

Basically, two types of training were applied: in-house and residential training. In-house training on the estate or in the factory was mainly carried out for technical issues, such as GAP and GMP, which made sense because this required in-field or on-the-job demonstrations and practice. Residential training happened at other locations, away from the workplace, for other topics. This worked well as it meant participants could give their full attention without being distracted by constant questions and requests, an issue that particularly applied for managers. Training was planned as much as possible in accordance with time schedules in the field, factories or farms, allowing for temporary absences of staff and farmers.

Training topics were repeated if it was observed that not enough progress had been made on the ground. The Institute of Social Development had two ways of monitoring this. It employed full time field officers who worked with the estates (one person for two estates) to monitor progress, coach people in the proper application and use of new knowledge, and solve practical problems. In addition, they hired consultants as experts in specific topics to advise on refresher training. During these refresher courses, the same people were invited back to attend as were on the original course, but in practice this did not always happen due to staff transfers or for other practical reasons for absence. This need for repetition of training did not apply to GAP and GMP, because in general the pre-training situation and use of GAP and GMP was satisfactory, and new techniques or methods were very quickly understood and applied by estate management. It did not require more attention.

The training approach also paid attention to knowledge transfer within the wider groups. People trained were also expected to train other non-participants. Therefore, the training included modules for such knowledge transfer, usually indicated by the ‘training of trainers’ concept.

Own contributions by the estates

Though the training programme itself was fully externally funded, estates had to contribute their own resources: they paid for workers’ leave during their absence, their transport costs, and provided all the necessary training facilities during the in-house training.

The Institute of Social Development also provided additional support in the form of protective equipment for factory workers and pluckers in the fields, as well as signage (see table 1 last two columns). Protective clothing and equipment was provided only as an incentive to create buy-in for the programme on the understanding that estates would continue these interventions in the long run. As Institute funds were limited for this purpose, actual support given was based on an analysis of the financial situation per estate. That financial analysis was part of the initial general study carried out by the Institute, supported by Solidaridad, before UTZ initiation.

Coordination meetings

An additional component of the UTZ programme was the coordination meetings with Colombo-based stakeholders: plantation companies, buyers and brokers, and other value chain institutions. The Institute of Social Development was the driving force behind these meetings, convening them on a monthly basis and continuously urging stakeholders to attend. The meetings served to inform other stakeholders about UTZ-related issues, and provided an opportunity to discuss other issues raised by the stakeholders. The meetings were well regarded by everyone we interviewed. They were seen as a good communication channel that effectively linked field experiences with wider tea sector issues. In a very informal manner, these meetings also served as a form of lobbying and advocacy, opening the minds of all stakeholders to the benefits of the UTZ standard.

3.2 Effectiveness of UTZ training programme

In our view the overall effectiveness of the UTZ training programme has been illustrated in the following ways. Prior to UTZ-related training other certification standards had also organised training, but generally this was less comprehensive in terms of both content and approach, and was therefore seen as less effective in achieving lasting change. The UTZ-related training programme was considered more comprehensive and holistic.

Quality of training

"*Strange eyes help to get new knowledge across, much better than using your own staff*" was a sentiment mentioned a couple of times by senior estate management staff. This was confirmed by the fact that the technical expertise and quality of training delivered by Institute of Social Development staff or external experts was very high; it was highly appreciated by all those interviewed: estate management, workers and smallholders, with no critical observations made. Estate management appreciated the provision of training using external experts who were qualified in the given topic, and contrasted this approach with training carried out using in-house expertise, such as that conducted by the Rainforest Alliance. They generally agreed that getting people from outside was more effective since the Institute of Social Development could hire subject matter experts, which made the training more substantial and relevant.

This quality was also reflected in the effective combination of in-house and residential training. Though managers often expressed concerns with regard to residential training (more expensive for them, not able to solve urgent daily issues), they also acknowledged that this approach was better and agreed that it enhanced effectiveness. Residential training also raised workers' commitment, because in their view this demonstrated that estate management took knowledge transfer seriously and were prepared to invest in their workers.

Sharing knowledge for transcending cultural barriers

Training and sharing knowledge to provide workers with new information has acted as a strong strategy to change cultural and traditional relations that were strongly rooted in colonial plantation history, characterised by highly hierarchical and paternalistic attitudes of estate management that kept workers at a great distance. While the UTZ training did not have an explicit objective to achieve this change, it has certainly been a crucial by-product or positive unintended result. UTZ training has led to a breakdown in these cultural barriers, and provided the basis for improved performance in the tea sector. Providing workers (and smallholders) with new knowledge has promoted a greater sense of ownership and shared responsibilities for the overall performance of the estates, factory and farm. Training provided a sense of empowerment and ownership amongst smallholders and workers respectively. A female smallholder who participated in the training programme mentioned how it had helped her to grow her tea garden better, while workers mentioned that they felt tea to be their livelihood and did not want to do anything that would be detrimental to the estate (i.e. go on strike). It was significant that all actors, including pluckers, factory workers and smallholders, were well aware of the crisis affecting the industry.

The cooperation between management and workers became stronger after the UTZ programme: through the internal management system or comparable systems, it was easier for workers to discuss problems in the factory or in the field with management. The internal management system led to less distance and stimulated fewer formal and hierarchical relations.

Sharing of knowledge

Having acquired new and promising knowledge by some persons on the estates or in the communities is in itself not enough to guarantee success. Application is what matters. The means of knowledge sharing can be formal or informal, depending on the type of knowledge. It can be assumed that GAP and GMP have been passed on more formally and visibly, as part of daily operations, while social and community related knowledge has been shared more informally, by group or peer contact and pressure.

The number of people trained per estate was considerable. Though we cannot assess the amount of people trained with absolute certainty, it is fair to assume that the number trained must have created sufficient critical weight within each estate, in field and in factory to assure the informal and gradual transfer and sharing of this knowledge to colleagues or co-workers. Table 1 demonstrated that the number of participants was between 16-50 per topic per state, and for GAP even greater numbers attended: from 40 to 130 people. How well this new awareness, knowledge and skills have been put into practice would then depend on the support of management. In view of these numbers, any normal level of staff turnover would not have inhibited effective knowledge sharing and transfer to all others concerned.

The evaluators have heard observations and obtained feedback that the tricking down and sharing of this knowledge was sometimes insufficient or perhaps questionable. We also heard about requests of workers for repetition of training, because some of the trained people had left. The evaluators received information that existing mechanisms of knowledge transfer within plantation companies have not been sufficiently considered in the UTZ training programme. Kelani company worked with (own) trainers-visitors, whose role was not included in the training and further knowledge sharing. It is proper to assume that members of the internal management system committees also attended the training, so in principle this will have created a sufficient platform for knowledge transfer, but the evaluation has not been able to fully validate whether this mechanism has worked satisfactorily.

The final judgment on effectiveness is whether the practical application of newly acquired knowledge was hindered by other factors, such as insufficient time to share or disseminate knowledge to other people, or a lack of tools or equipment needed for proper application. The evaluation has not come across indications that such obstacles have unfavourably affected knowledge transfer. But it is our assessment that the crisis situation in the tea industry was certainly an important factor that affected the willingness of managers to spend more formal time on knowledge transfer – there were more urgent factors to deal with.

In general, the ‘training of trainers’ concept used for smallholder farmers is often widely supported, but its effectiveness is not always based on actual evidence, as experiences elsewhere have widely demonstrated. It usually only works when smallholders are well organised and structured. This evaluation has not been able to assess whether that was indeed the case as part of the UTZ training. Did the internal control system help farmers access new knowledge and information? The evaluators only received information that in the smallholder group illiterate farmers were assisted by other group members in record keeping, which in principle should have led to a greater understanding of the different control points of the UTZ Code of Conduct. But whether that has led to a consistently better quality in properly applying and managing these control points across the entire smallholder group has not been ascertained.

Own contribution

The fact that much of the UTZ training was externally funded cannot be seen as a factor that hindered how it was disseminated, or the ownership process. The introduction of a new standard such as UTZ will usually need external funding, and estates have by and large shown their commitment through their own contributions. A proper illustration of their real commitment would have been the amount of inputs and money they have been willing to invest, but the evaluation lacked information on the precise level of investments per estate in that respect. The evaluation agreed that the lack of replacement investments (for example, new protective equipment and clothing) cannot be causally linked with the fact that UTZ training was (too much) externally funded. It was more linked with the difficult economic performance of the estates and therefore with other more urgent priorities for financial survival.

In view of their own limited resources, other tea sector institutes such as the Tea Small Holders Development Authority and the Tea Board also highly appreciated the UTZ training programme, because it helped them to achieve their own overall goals of improving tea production and quality for smallholder farmers and estates.

Coordination meetings

As noted, these stakeholder meetings can be seen as an excellent communication and information channel. The meetings have linked the in-the-field application of UTZ standards with wider systemic issues higher up in the tea value chain. It has been the right decision to include these meetings as an integral part of the programme, even more so because there was (and is) no other meeting platform for tea value chain actors in Sri Lanka.

Various high-level stakeholders have stated that they wish to continue these coordination meetings even though the current Douwe Egberts Foundation-funded UTZ training programme has come to an end. This can be seen as an interesting feature of sustainability worthy of being monitored.

Feedback of certification body

The feedback of Sri Lanka Standards Institution was positive about the results of UTZ certification so far. They did not find issues of non-compliance of UTZ control points. Indirectly, this can be seen as a good illustration of the quality of UTZ training and its level of acceptance by estates and smallholders. In a case of non-compliance (by one of the estates), estate management took the necessary steps to correct these weaknesses within the two-week time rule.

3.3 Implementation in the UTZ training programme

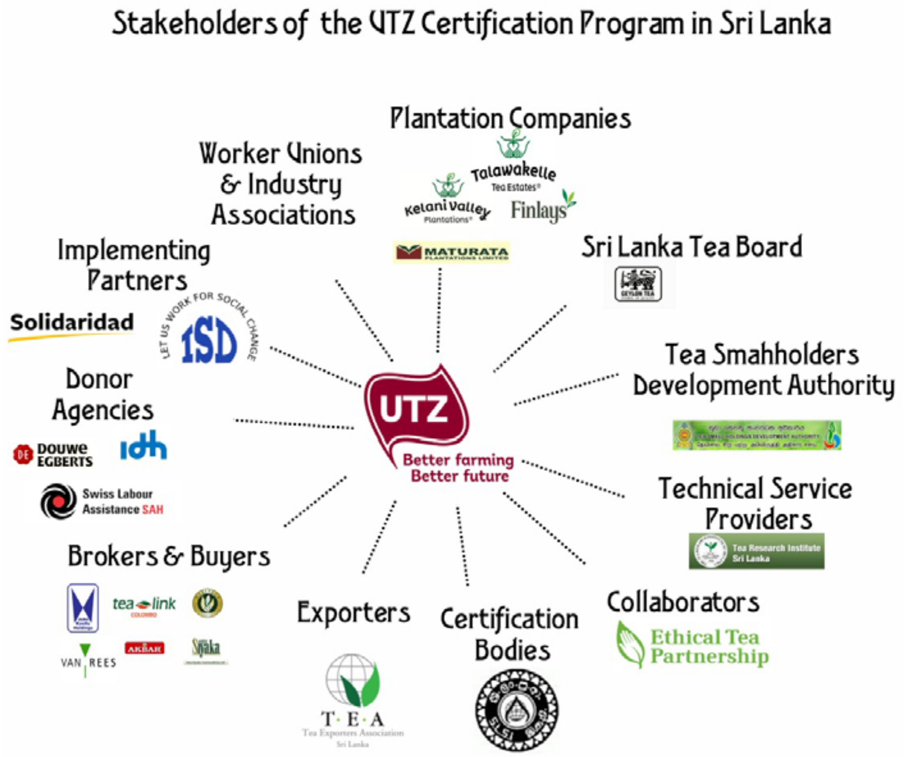
The Institute of Social Development was the main implementing partner of the UTZ programme. Apart from the other tea stakeholders in Sri Lanka that provided expert training input (Tea Research Institute, Tea Small Holders Development Authority, Ethical Tea Partnership), other international partners collaborated or provided their input and suggestions for this training: Douwe Egberts Foundation, Solidaridad India and UTZ. In principle this widespread collaboration and use of internal and external expertise provided a good basis for implementation. However, the evaluation noted that the collaboration and coordination of external stakeholders has not been without obstacles. The evaluation has not looked in detail into the quality of this collaboration - that would have required more attention; moreover, it was not formulated as a specific evaluation question.

A few observations:

- Solidaridad Netherlands provided the funds to Solidaridad India, but did not play a monitoring or support role; it had little specific technical expertise.
- Solidaridad India had the required Sri Lanka tea expertise and collaborated intensively with the Institute of Social Development before and during implementation of UTZ training programme.
- Douwe Egberts Foundation directly communicated with Solidaridad India; not with the Institute of Social Development.
- UTZ supported the programme right from the start in 2009. The Programme Officer from the head office, Amsterdam, visited Sri Lanka at least twice a year, visiting producers, joining the coordination meetings and organising training sessions. In 2014 UTZ recruited and appointed two staff members who were more directly and closely involved in the UTZ programme; they largely contributed to maintaining relations with higher-level tea value chain stakeholders in Colombo, lobbying for brokers and buyers of UTZ certified tea, and explaining changes in the Code of Conduct and portal use.
- The Institute of Social Development only started to communicate directly with UTZ from the end of 2014, with copy to Solidaridad India. Before then, UTZ only communicated with the Institute via Solidaridad India.
- The evaluation noted that collaborating partners did not always fully share and discuss their vision on the best implementation of UTZ training; there were differences in agendas and interests between business and NGO partners with regard to the best mix and emphasis of training topics (economic versus social).

It is difficult to assess the effects of these different views on the effectiveness of the programme. More and better communication might have led to more sharing and discussion of critical issues and sustainability challenges affecting the tea sector, and therefore the results of the training programme.

The figure below presents all stakeholders who participated in the UTZ programme.



4. Four Types of Changes

The evaluation team was asked to assess three different types of improvements: **economic, social and environmental** on estates, factories and smallholder farms. In addition, the team assessed the **management** dimension of these three changes. The improvements have been arranged on the basis of the four different blocks in the UTZ Code of Conduct. Not all improvements that were mentioned by participants are referred to in these four blocks, in which case they have been added to the specific blocks where they fitted best.

The evaluation has not assessed each and every detail of the Code of Conduct, because that would be the remit of an audit. Instead, we focused on those changes that respondents considered most important and illustrative, and assessed the reasons for these changes. These are also the changes described in the UTZ Theory of Change. The changes have been presented in two columns, firstly, the outcomes as they were mentioned by different respondents and, secondly, as assessed by the evaluators.

These findings have not been presented per specific estate or smallholder group, but per category only: estates, workers, smallholders and control group. For this evaluation the differences in the findings between these different categories were more relevant than within each category. Only where it was relevant to highlight a specific estate or location has this been added for illustration purposes.

4.1 Management

Management	Status of outcomes	Assessment of outcomes
Record keeping	**Smallholders** kept more and better records for on entire production range, leading to better understanding of costs for inputs and labour. They have seen the added value of records. Literate farmer members (or family members) assisted non-literate members to keep their records. **Control group** only maintained records for prices.	The appreciation of smallholders for record keeping was evident. In our view coaching will be crucial to keep their interest alive and practical, especially in the recently certified group. It can be expected that such appreciation will only last as long as tea prices on the one hand and increased profitability on the other hand are rewarding their efforts. We have not collected in-depth feedback on the quality of record keeping by both groups and how exactly it has contributed to better farm performance.
Internal management	**Estates**: internal management system structure was widely appreciated by management and workers as the appropriate meeting place and platform to discuss issues of common interest. The regularity of internal management system meetings appears to vary. **Smallholders** had already been organised into groups (or associations) in the past by the Tea Small Holders Development Authority. The UTZ certified group is limited to the certified members within the association. The internal control system committee offered services, especially in record keeping, to members. **Control group** farmers were also organised, under the same the Tea Small Holders Development Authority provisions in order to access tea-related services, but they lacked the specific internal control system structure.	**Estates**: This internal management system structure is a sound vehicle for improved industry relations (see below); serving to maintain proper internal working relations. The continued internal management system functioning will be an important indicator for sustainability. **Smallholders**: the internal control system committee acts at a basic level, but still needs continued coaching and guidance. The lack of remuneration (direct or indirect) may undermine its proper functioning. Poor UTZ markets may also undermine group coherence and collaboration. **Control group**: performance scored less because of absence of internal control system-type of committee.

Management	Status of outcomes	Assessment of outcomes
Risk management	**Plantation companies** run several tea estates with different, multiple certification standards; they also manage estates with other commodities. Currently, company profits from other commodities are helping sustain loss-making tea estates. Because the other commodities also face market challenges, this support may be short term. They saw Rainforest Alliance certification as best risk management strategy so far. **Smallholders** have improved their tea production, but they have also diversified their farms by growing vegetables and tree planting. **Control group** farms were diversifying less.	No specific internal risk management plans have been referred to. In view of the current crisis the only risk management strategy **plantation companies and estates** see is Rainforest Alliance certification as their best short-term risk management strategy; this does not exclude returning to UTZ, if market conditions improve. **Smallholders** showed an interesting combination of specialisation (better tea production) and diversification (more crops grown), both relevant for reducing production and market risks. **Control group** farms seemed to be more stagnant and not taking initiatives towards diversification; the reasons are unknown.
Reinvestments	**Estates** investments were significant at the introduction stage of UTZ, but they have decreased in the subsequent stages. Current low profitability was seen as the key factor in this decrease, even though some estates kept piloting with modest innovations (harvesting equipment, sheer plucking). **Smallholders** invested a greater part of their tea incomes in their tea gardens, compared 2011 and 2015. **Control group**: their level of reinvestment has remained unchanged.	**Estates**: it is evident that the current financial space for investments is limited. Estates cannot be expected to maintain investment and replanting at the required or desired level. The greater reinvestment in tea by UTZ **smallholders** is logical at this point in time, because they clearly observed the visible growth and yield improvements by use of GAP. The control group lacked this reference.
Premium	**Estates** reported differently about the transparency of receipt and spending of premium; criticism included a lack of communication between higher plantation companies and certified estates. Generally, frustration was expressed about the lack of premium, which reduced the incentive to continue with UTZ. **Brokers and buyers** in Colombo found it difficult to include premium payments within the auction sales process. They complained about the lack of clear procedure for fixing the premium. Some preferred a fixed premium above the final selling price.	**Estates and buyers**: clarity is needed about the premium in three aspects: 1) how much it is; 2) how is it paid to the estate; and 3) how is it arranged between broker and estate? There is currently no consensus among buyers on how to decide on the size of the premium. This contributed to confusion. The use of the premium at estate level was not widely shared or known to buyers and brokers. This ´user´ information was seen as relevant to produce convincing field-based stories for consumer-orientated UTZ marketing.
Use of the online UTZ portal	**Estates** do not use it. They have no clear idea about its role and added value. They refer to their headquarters in Colombo. Portal use	Its potential role and function was not well understood by estates and their companies. Buyers and brokers have used

Management	Status of outcomes	Assessment of outcomes
	training to headquarter was not accompanied by proper follow-up; therefore frequent technical problems in accessing the portal occurred. **Brokers and buyers**: companies saw the portal as a good and accessible tool. Though they had different starting problems, finally they managed to access, understand and handle it for trading operations: these were the experiences of John Keells, Anverally, Heritage, Tea Link, van Rees. A complaint was that the portal did not provide info on end buyers. They emphasised the necessary monitoring role of UTZ with regard to portal use. They also suggested UTZ to set up a consumer portal; upload videos to consumer portal for promotion purposes.	the portal and learned how to appreciate it. They clearly understood its role and function, and would be good intermediaries to stimulate further use, coached or accompanied by UTZ. Apparently, the portal was more user-friendly for brokers and buyers than for producing companies.
Industry relations on estate	**Estate management and workers** referred to the improved relationships as a direct result of UTZ training. The appreciation and attitude to each other has changed enormously; moving from a very hierarchical one to a much more 'equal' relationship. Workers mentioned that while they could not directly approach management before, unless they did so through the union, now they approached managers directly, bringing up their issues and having them addressed. **Estate management** acknowledged that a more competent and skilled workforce is their key asset and directly contributed to improved tea leaf production, labour productivity and quality (see also figures in chapter 4.2; harvesting and plucking). Managers observed less absence, and a positively motivated and disciplined labour force. They were more willing to invest in these relations. **Workers** have developed a stronger sense of ownership of the estate/factory and feel that their voices are better heard and responded to. They better understand the wider tea industry context and take that into consideration in their views and demands. **Smallholders** also changed their attitude and maintained stronger external relations with the factories to which they sell, curious to learn from factory operations - they also looked for a wider choice of buyers for their tea. Some even mentioned that it is only through this programme that they realised	The evaluation considers this as the key result of the UTZ training programme. It demonstrated a clear culture change on the estates. Relations are now more built on a potential win-win situation in the tea value chain, and less on antagonistic or conflicting interests. The ownership feeling of workers towards estates constitutes a strong basis for better economic or business performance. Ownership is the strong expression of mutual responsibilities. UTZ processes are not seen as bringing more discipline as such, but as rational and visible improvements for mutual benefits. **Smallholders** took a more independent position, realizing that they are more in charge of improvements, and they improved their negotiation skills. The Keppetipola smallholders succeeded in finding a new market, BioFoods, to sell their tea to.

Management	Status of outcomes	Assessment of outcomes
	what happens to the tea once it leaves their gardens, as they had participated in a factory visit and observed the production process.	
Union relations	**Estate management** improved their relations with unions; unions are becoming more responsive to the industry crisis situation. But the collective agreement has not yet been renewed due to the prevailing crisis - estates clearly stated that they cannot pay higher wages as claimed by the unions in view of current the loss-making situation. **Workers** were looking more critically at added value of unions: they realised that raising wages might undermine their employment. They felt 'torn' between feelings of allegiance to the union and their increased loyalty towards estate management.	In our view improved union relations with the estates present themselves more clearly at local than on national level. Locally, the difficult situation of the estates is acknowledged, whereas at national level the divisive political dimension is more prominent. The more dualistic relations between workers and unions underlined the greater sense of ownership of workers towards 'their' estate. Workers were better contextualising the demands of the unions.
Culture	**Estate management** expressed a strong appreciation of greater worker commitment in field and factory; they also observed the contributions made by workers towards technical improvements. Managers have changed their attitude, moving away from just giving orders towards a more listening attitude. Some estates noted better work disciplines, less absence and better productivity. **Workers** felt more confident and talked more openly. Their attitude changed from reactive to becoming more pro-active and committed.	In the estate office the evaluators also observed different working relations: more relaxed and less hierarchy. The culture and the ensuing industry or working relations have become more motivational. A more stable labour force is emerging. The better work discipline on estates was also related to more stable living conditions in households and communities.
Gender	**Estate management** has recognised women as a key work force, especially in the field where they care for optimum tea leaf quality. Some estates started to appoint women as field supervisors, as they recognised that this worked better than male supervisors (see picture below this table). Women constitute the majority of the field workers and they find it easier to relate to a female supervisor and vice versa. Women thus contributed to higher productivity, which increased their status and earned them respect in the eyes of the managers. **Workers** expressed a greater mutual respect, especially of men towards women; also, men recognised the technical competencies of women. In all cases women had become more vocal, less silent or submissive. Some of the men also mentioned that they had changed their behaviour and attitudes towards women in the work environment as well as at home.	This greater recognition of women's work is also confirmed by the efforts of management to ease harvesting work. That gender dimension was clearly and favourably seen by management. The gender dimension at household and community level was less visible and noted. During all focus group discussions interviews and mixed audiences, women were more vocal and articulate than men. It is evident that the use of machines and mechanisation will have implications for the gender dynamics in the sector. It may provide challenges and opportunities. The different actors who are experimenting with machines see it as an inevitable step to deal with labour shortages and reduce costs of production. They also looked at aspects of weight and

Management	Status of outcomes	Assessment of outcomes
	Male workers at the private K&B estate mentioned that the use of machines (the estate was piloting this use!) would mean less work for women; hence they did not like the use of machines. They had never seen women using the machines; according to them the women cannot manage the machine. Women did not use the pruning machines either.	energy source, to make these machines user-friendly. The improved position of women is evident and likely to last. In the context of the UTZ Theory of Change, it would be necessary to keep track (monitoring and evaluation) of these gender-related changes and assess its continued contribution to the desired impact.
Outgrower pilots **(non-UTZ)**	**Estates** were developing different outgrower pilots in an effort to reduce labour costs as well as achieving higher productivity. Two different types emerged: 1) Estates assigned extra tea garden blocks to be harvested after working hours on the estate. Each block contains 3,000 bushes. Workers appreciated this arrangement because it provided them with an extra income perspective in their off-hours from their estate work. They are supposed to maintain the quality of the leaf and the quality of the plucking. 2) Estates assigned parts of the estate to workers, turning them into smallholders on this land and be responsible for tea production and management. Workers did not appreciate this because they felt that becoming smallholders would not be beneficial for them: they would lack the necessary business drive and mentality. These outgrower pilots only referred to other production and harvesting modalities on the estates, changing the workers' position or mode of working. They did not refer to smallholders as outgrowers for estates.	These outgrower arrangements can be potentially strong models to achieve win-win situations. But careful elaboration and consultation are necessary to look at all details: so that benefits and risks are equally divided between estates and workers. The first type of arrangement is fitting the workers' perspective and may lead to greater labour productivity; a win-win situation for both. The second type is more conflicting. Most importantly, this type reflects the current underperformance (low fertility status, neglected tea garden sections) that the estate now wanted to outsource to workers for a limited period of time; after five years the estates would take it back. The workers would bear the risks of tea performance and would not reap the benefits of investments. So benefits and risks would be unequally divided. A second obstacle would be the union position: they would not want workers becoming a kind of smallholder, as this would reduce their union membership.

Overall assessment

The changes that took place with regard to the quality and nature of 'industry relations' - between estate management and workers - were among the biggest achievements of the UTZ programme. This led to an attitude shift and a change in estate culture with significant effects: a bigger sense of ownership, a greater feeling of empowerment, especially of women; creation of a win-win situation within the estates. These softer changes were the essential basis for the other economic, social and environmental improvements.

Female supervisors were appointed for the first time in UTZ certified estates following training the Institute of Social Development conducted related to the collective agreement, gender and GAP. Previously all supervisors were males, even though the pluckers are mostly female. Only two regional plantation companies followed this recommendation by appointing a few female *supervisors*. This picture shows one such female supervisor in the UTZ certified Nuwara Eliya estate.

UTZ tea market

Feedback about the UTZ tea market varied. In general, buyers in Colombo were well aware of the fact that the UTZ market was limited at the very start, when Douwe Egberts committed itself as the only buyer. But they expected more buyers to come. This concern has been constantly raised by buyers at the joint stakeholder meetings and brought to the attention of UTZ over last few years. Thus far the actual situation has not yet changed, so buyers have concluded that UTZ has not responded properly. They felt that UTZ did not do enough promotion for the tea market and also concluded that UTZ was more interested in coffee. That perception of UTZ has been heard often during this evaluation.

Individually, buyers in Colombo stated that supply and demand of UTZ tea did not match for the different estates. As far as demand goes, buyers knew the UTZ demand, but they did not know the precise amounts and when. Only a small fraction of the UTZ tea supply was bought by them. The European market was difficult because of this unpredictability, but nevertheless it is slowly growing. Maintaining and building up relations with buyers in Europe was considered of the utmost importance (Anverally buyer in Colombo); at the same time they observed that even though they knew their buyers in Europe, they lacked feedback about the final buyers in destination markets. Generally, buyers who sold directly to Douwe Egberts stated that their demand was fairly constant, but it was not big enough to sustain the certified tea production of more than four or five estates (Heritage). They expressed concerns about extending the number of certified estates if there were no other bigger buyers for UTZ tea. That same concern was also expressed by plantation companies and estates, who looked at other newly certified estates as their competitors in a restricted UTZ market.

Buyers maintained relations with central management at the plantation companies and not with tea estates themselves, but they also noted the communication gaps between these two entities. Tea Link observed that lately they succeeded in communicating better directly with the estates about required tea qualities. A crucial point mentioned here was that achieving the required UTZ quality tea did not just require the combination of proper GAP and GMP; a truly consistent tea quality needed more attention. According to them managers too easily expected that if they complied with the certification points, they would automatically receive the premium as a reward. Consistent quality required additional points of attention and investments: moving from compliance to performance-based certification.

In addition, buyers observed (Anverally and Tea Link) that UTZ tea should not be restricted to high grown areas, but also embrace low grown areas. In their view, that latter type of tea has a better market.

Interestingly, they observed that high grown estates might be too complacent and self-assured about their quality of tea. The evaluation has not been able to validate this observation further, but it is worth considering and exploring this further!

Supply/demand ratio

The following table demonstrates the current trends and situation with regard to the supply/demand ratio, comparing the certified tea volume produced and actual volume sold as UTZ. The supply/demand ratio had seriously gone down in the last year. According to the evaluators' calculations, for the certificate holders interviewed the total volume of certified tea decreased from 5,473,000 tons in 2014 to 5,049,000 tons in 2015. Certified UTZ tea production was no assurance for being finally sold as UTZ certified tea. The specific tasting qualities of tea demanded by the market differed from what estates produced as certified tea. Only a fraction of the supply of UTZ tea was actually sold as UTZ tea.

The reasons for the differences in supply/demand between the estates are largely due to the extent of their links with UTZ certified buyers.

Table 2: Supply and demand for UTZ certified Tea from Sri Lanka

Certificate holder	Start date	End date	Certified volume 2014	Sales in 2014	S-D 2014	Certified volume 2015 own calculation	Sales in 2015 (YTD)	S-D 2015
Liddesdale Estate	20-06-2014	19-06-2015	1,450,032		0%	1,465,388	52,754	3.6%
Bio Foods (Pvt) Ltd	10-04-2014	08-04-2015	474,996	1,800	0%	450,000	900	0.2%
Kelaneiya & Braemar Estates Ltd.	30-09-2014	29-09-2015	140,000	29,005	21%	137,500	1,100	0.8%
Court Lodge Estate	01-10-2014	30-07-2015	435,000	12,465	3%	432,500	3,460	0.8%
Talawakelle Tea Estates PLC - Radella Estate	12-01-2015	11-01-2016	473,000	8,750	2%	471,764	8,020	1.7%
High Forest Estate	12-02-2015	11-11-2015	1,000,000	100,591	10%	992,512	38,708	3.9%
Kelani Valley Plantations PLC	25-06-2014	24-06-2015	1,500,000	5,200	0%	1,100,000	1,100	0.1%

A supply/demand analysis implies much more than a simple calculation of supply/demand ratio. Tea estates sell their teas to buyers from several markets. Europe is only a small share of this and linked to the specific tea grades, import requirements and quality specifications of different EU countries. Tea estates produce at least six or more tea grades in a normal production, where sometimes most of the grades do not match the demand of EU consumption. Consumer preferences differ considerably in each country as well, making it complex for brands and sourcing: teas meant for the Russian market are not the same as for France or Germany. Demand for sustainable certified teas is also restricted, key buying markets for Ceylon tea are not yet developed in this sense. Since the UTZ programme requires that the whole harvest is included in the certificate, the total volume including tea grades that are suitable for other markets/buyers is certified, even though there is no sustainable demand for that volume (which is the majority). In addition, there is multi-certification of estates with other sustainability or organic standards.

UTZ premium

The UTZ premium has been widely perceived as the most important benefit of UTZ and the primary reason estates and plantation companies gave for entering the certification process. The plantation companies and estate managers appreciated the other benefits that certification had brought, including improving the quality of tea leaves and industrial relations between management and workers. But they also stated that without project support (i.e. the ones implemented by the Institute of Social Development) it was difficult for them to fully appreciate these benefits in view of the associated costs of the certification process. Some companies, including the privately owned one, said they are reconsidering and questioning renewing their certification**.** Companies expect the premium to cover audit costs and contribute to projects for workers and their communities and, although the premium was not the explicit driver at the start, in practice it has become so. The original focus of UTZ on the business case of better management and quality has been overtaken by the current financial crisis in the tea market. Estate managers were increasingly looking at the premium to lessen this profitability crisis on their estates. They also considered the premium as the key promotion tool for UTZ in Sri Lanka.

Spill-over effect to other estates?

For the plantation companies that managed several tea estates, the copy effect from UTZ certified estates to non-UTZ certified estates has been minimal. The Kelani Company felt that UTZ has helped them raise their performance one nudge higher. They generally felt that they already produced at a fairly high level and that UTZ contributions to improvement cannot be separated from inputs from other standards. What Kelani nevertheless expressed was the need for a better organised system for follow-up training, moving away from expert training to a more coaching style of training and knowledge transfer.

Comparison with other standards

Rainforest Alliance is market leader, with Unilever as the big buyer. Rainforest Alliance was perceived to be stronger in their promotion than UTZ was. The lack of demand for UTZ tea motivated UTZ certified tea producers to look at Rainforest Alliance again; plantation companies took their other estates towards Rainforest Alliance. Even though Rainforest Alliance audit costs were much higher than UTZ audit costs, the fact that tea was being bought by Unilever offset that disadvantage. The fact that UTZ has not created sufficient market demand has rendered UTZ less relevant as a standard. Not receiving the premium constituted an important disincentive to renew UTZ certification.

4.2 Farming practices

Introductory remarks

Good farming or agricultural practices (GAP), often in combination with good manufacturing practices (GMP) were the outcomes mostly referred to and proudly discussed by all stakeholders. Usually, they were also properly described in practical terms. GAP and GMP provided the underlying technical practices directly contributing to better productivity and quality. Not sufficiently covered by GAP were those improvements that as a matter of course required longer term investments, such as planting material (tea bushes) and soil fertility.

Farming practices	Status of outcomes	Assessment of outcomes
Planting material	**Estates**: do not invest in rejuvenation of tea bushes, even though some acknowledge the need for it. Other external respondents expressed their concern about the delay in tea bush replacement using new or better varieties.	This investment has a long-term horizon and in view of current crisis is not likely to happen.
Farm maintenance	**Estates** moved from clean weeding practices to selective weeding with less or no use of harmful weedicides. Some referred to reduced soil erosion as a benefit. Labour constraints have been mentioned as an obstacle. **Smallholders** did not practice clean weeding any more.	Because this improved weeding is more labour intensive, labour constraints may stand in the way of applying the best weeding practices. Attention is still needed to best mix of weeding practices in combination with erosion control.
Diversification	**Workers** have also strengthened vegetable cultivation on their small plots, thus adding to their household food security and incomes.	Workers have diversified their livelihoods; the fact that more household members work outside the estates also added to this diversification.

Farming practices	Status of outcomes	Assessment of outcomes
	Smallholder diversified their farms and invested in agroforestry and vegetable cultivation. **Control group** did not report on diversification efforts.	For small farmers this crop diversification also added to climate change adaptation (and resilience) as well as income diversification. Tree planting also has a beneficial shading effect for tea gardens.
Soil fertility	**Estates** paid more attention for better application methods of inorganic fertilisers, thus improving its efficiency and effectiveness. Only a few estates recognised the greater need for structural, longer-term improvements of soil fertility with a focus on raising the organic matter content; specifically Kelaneiya & Braemer estate.	Improved choice and use of fertilisers has a limited seasonal effect on better soil fertility. Increasing organic matter content requires investments with a longer term horizon. This is not likely to happen widely in current crisis situation. This applies to estates and smallholders.
Pest and disease management	Improved pest and disease management was not or hardly referred to during interviews. Reduced use of pesticides on estates and smallholder farms took place. Buyers and brokers did not mention issues with regard to maximum residue levels	Apparently, pests and diseases do not offer serious technical constraints for tea producers. Buyers and brokers did not express concerns about maximum residue levels as an obstacle for UTZ certified tea production. The household survey mentioned changes in knowledge, use and methods of crop protection in pest and disease management, but no feedback on effectiveness and actual results in the field.
Pesticides and fertiliser handling	**Estates, workers and smallholders**: a great improvement was noted by all in terms of better handling, storage, cleaning; and wearing protective clothing and equipment. They all made a clear comparison with the previously poor situation. Complaints were voiced by workers about the lack of replacement of protective clothing. **Smallholders** also copied this better handling to the other crops on their farm (vegetables). Control group (household survey) demonstrated a mix of improvements less consistent than the above categories.	The combined training and provision of protective equipment has been the main contributing factor to these improvements. Replacement of protective clothing may be an issue now, because of the poor financial situation. The evaluation has not ascertained to what extent this complaint was relevant.
Irrigation	No direct improvements were reported, nor observed in the field.	Irrigation is not a directly relevant issue on certified estates. If irrigation is read as improved water management for better tea growth, then this issue is sufficiently covered by sound GAP and rehabilitated ‘interceptor drains’ (block D).
Harvesting and plucking	**Estates and workers**: referred to the widespread adoption of better plucking practices: two leaves and bud, in weekly intervals, leading to higher yields and tea leaf quality. This resulted in a higher percentage of good leaf quality and less leaf rejects, generally less than 10%.	This was the most widely mentioned technical improvement of field-based tea improvement. For them it was the directly visible result of UTZ training. Though this was valued, it did not translate into higher net incomes, due to low tea prices.

Farming practices	Status of outcomes	Assessment of outcomes
	Smallholders: likewise improved their harvesting and plucking, changing from fortnightly to weekly intervals; good quality tea leaves improved from 35-40% towards 55-65% (also confirmed by the Tea Board).	
Yield levels	**Smallholders**: a general yield increase noted from 100-150 kg/month to 400-600 kg/month/acre of tea leaves plucked; climate variability still leads to yield variability.	Even though yields doubled or tripled, net income did much less so because of downward prices and higher labour costs. Smallholders compensated this low income by turning to other, more profitable crops such as pepper.
Harvesting equipment	Some **estates** (Pedro) are investing in light-weight plucking baskets for better tea leaf quality and a reduced burden for women.	This is a well appreciated and relevant improvement to ease labour requirements.
Mechanisation	See sustainability challenges.	Not directly linked to UTZ.
Post-harvest handling; transport	**Smallholders** achieved better tea storage at collection points or sheds; reduced time between harvest and factory; quicker transport; more hygienic handling of tea on shelves instead on ground. Control group had remained more or less stagnant as to their practices for maintaining tea quality after harvesting.	No information was gathered about the systemic spinoffs of these benefits for the productivity on the entire farm. Tea production related improvements may have beneficial effects on other crops. The stagnant situation of the control group can be validated by the fact that they did not receive technical training unlike smallholders.
Manufacturing practices in the tea factory	**Estates and workers**: referred to the overall better application of GMP in all different processing steps: drying, sorting, fermenting, with a greater care for quality. This also included a clean and hazard-free working place in the factory, better maintained machines; clearly set out walking routes.	The investment needed to continue complying with UTZ has been hindered by the current crisis. Cleanliness was not noted everywhere and may also be seen as an indication of a lack of motivation caused by the crisis.
Costs of production	**Estates** declared that costs of production kept increasing; not just labour, but also other inputs (fertilisers). The higher cost of production was 'rewarded' by higher productivity and quality. **Smallholders** made same reference to higher costs of production, but also referred to higher efficiency and effectiveness: better yields and quality.	Labour was and remained the key portion of total costs of production; this is further strengthened by the fact that many GAP practices are also more labour demanding.
Income	**Estates** all mentioned that their tea incomes were negative - they are running at a loss at the moment. **Smallholders** did not yet see an increased net income, because higher prices for labour and lower tea prices offset yield and quality increases.	Estates need overall short-term improvements in the tea market in order to sustain their interest in UTZ certification. Smallholders may accept this situation, because they have different sources of income. But the lack of premium will be a threat on longer run for their interest in UTZ certification.

Overall assessment

Estate management acknowledged that UTZ certification support has led to better technical performance through GAP and GMP, but this was no longer seen as a reason to continue with UTZ certification and moreover to pay for annual audit costs.

In our view estate managers tended to consider this improved technical knowledge as their knowledge and skills, no longer directly associated only with UTZ. In itself this can be interpreted as a very positive spinoff for UTZ, because it illustrated their full ownership of this improved performance. The lack of further long-term investments in soil fertility and tea bush rejuvenation is an undermining factor with regard to sustained GAP.

The survey team interviewed seven presidents and secretaries of multiple societies from the Uva region who were certified as suppliers to the Keppetipola Tea Shakthi factory. Those interviewed stated that prior to the UTZ certification programme, they used to give more importance to their vegetable plots than their tea plot. However after they started implementing GAP they started to make as much income from tea as from their vegetable sales. For some members tea became the bigger income earner.

With regard to smallholder farmers and the control group, the household survey noted a rather large overlap in terms of occupational health and safety training and protective equipment received by both groups; this included training and inputs in the field of soil fertility management and measures against water contamination. This overlap of training is very likely the result of external support provided by the Tea Small Holders Development Authority and the District Secretariat Office to tea growers. Smallholder farmers and the control group came from the same villages. This situation rendered the comparative analysis between smallholders and the control group difficult. It was nevertheless interesting to note that, in the overall rating of economic impacts, the control group scored itself consistently lower than certified smallholders. The higher score for certified smallholders reflected their higher level of understanding of the wider tea sector and 'system' factors affecting their economic success.

4.3 Working and living conditions

Introductory remarks

The social benefits that workers on UTZ certified estates enjoy in their own lives, in their households and in estate communities were strongly expressed and constantly validated. The emerging picture is generally very positive. In our view, some positive claims were over-emphasised. The evaluation team observed that estates struggled with the full range of their responsibilities with regard to the basic social benefits – education, water and sanitation, health - in the plantation communities. Estates understood the starting point and scope of their responsibility for these social benefits, but they raised the question of where this responsibility ends. This also links with the fact that the relative importance and weight of the community in terms of providing labour to the estates has changed. The estimated percentage of labourers from plantation communities was around 50% at the start (1992), but has presently decreased to about 20%, according to figures from the Plantation Association. This shows that plantation communities have gradually acquired a variety of other income sources, rendering them less dependent on the estates. In that sense it is logical that renewed attention is being paid to the extent of estates' responsibility to working and living conditions.

Workers' rights	Status of outcomes	Assessment of outcomes
Gender	**Workers** referred to more balanced men-women relations in the households. Women have acquired a greater say in decision-making, such as use of income for household expenditure (financial management). Women expressed this change more vocally than men.	The claims heard about reduced gender-based violence within households must be read with care. The information provided could not be validated. It is also difficult to link this reduction causally with a single gender training.
Health and safety; **first aid**	**Estate management**: attention occupational health has paid off in terms of reduced workers' absence and higher work discipline. **Workers** mentioned this as the most widely appreciated component of improvement, both at work and at home. They felt much better prepared to provide first aid in case of accidents. They mentioned several examples of first aid in communities for injuries, illnesses, etc.	First aid and Occupational Health and Safety are examples of improvements that people easily remembered. For them this was a clear symbol of greater respect for their lives and wellbeing shown by estate management. Workers did not directly refer to reduced accidents at work.
Pesticide handling	The same applies as mentioned above for better farming practices.	
Water and sanitation	**Workers**: mention was made of better availability of water, sanitation and hygiene (WASH) facilities both in the workplace and in communities, as a result of construction of new and rehabilitation of existing WASH facilities.	No further feedback collected on occurrence of water-related diseases. Such information must however be available at health centres or posts.
Family life	**Workers** mentioned a variety of improvements related to family life: healthcare, nutrition, raising children; preventing abuses, undergoing medical checks, attention for child rights, etc.	It was difficult to validate and also difficult to link this all causally with UTZ related training.
Household income	**Workers and estate management**: the use of income has improved: they referred to less use of alcohol; mentioned by men and women. Some estate managers still observed that this better income management should not be taken for granted: according to them more attention was needed, also to achieve higher work discipline.	Better household use of income was also related to the worsening situation with regard to lack of available labour on the estates.

Overall assessment

On-going investments of all estates in working and living conditions were seriously hindered by their poor financial situation due to the current crisis. From a management perspective, such social investments have to be weighed against other more productive and economic investments to keep heads above water.

In our view, it may be argued that in terms of clever sequencing investments, economic investments should receive priority before spending more resources on social benefits. In that regard this may also imply that the estate's responsibilities for overall working and living conditions as part of certification might be too heavy a burden in the current situation. It would however be an interesting step towards transparency and further trust building, if estate management were to sit down with workers' representatives to present and discuss investment plans more openly. That would be a very proper illustration of improved industry relations.

Workers' uniforms and personal protective equipment

Workers at two UTZ certified factories in uniforms and personal protective equipment.
During focus groups discussions, workers stated that they obtained uniforms as part of the UTZ certification process and they did not have uniforms prior to certification. No uniforms or protective equipment was observed by the evaluators at the control factories visited.

4.4 Environment

Introductory remarks

Environmental changes did not feature prominently in the answers and feedback received from different respondents. Visual observations on the ground have been limited; it was not possible for the evaluators to validate the few statements respondents did give in a structured manner. In terms of actual changes, the evaluation considered this fourth dimension less important than the other three types of outcomes.

In general, the focus of feedback was more on outputs - describing what people had learned and understood - than on outcomes; what they actually practiced and what improvements this led to. The evaluation team felt that the underlying principles were implicitly underwritten and understood, but that added value and practical application was less of a priority. Many environment-related outcomes have a longer-term character, which are presently not manifesting themselves on UTZ certified estates. This also highlighted the need for more monitoring and evaluation to ascertain the sustained nature of environmental changes.

	Status of outcomes	**Assessment of outcomes**
Buffer zones	Estates have widely introduced these buffer zones, but claims on the actual outcomes remained vague. How effective they were along watercourses to protect against water erosion has been impossible to assess.	In many places tea bushes are directly bordering water bodies (streams, drains, gullies), but this does not automatically imply serious erosion risks. This depends on stability of these water bodies. More intensive observation during rainfall events will be required.

	Status of outcomes	Assessment of outcomes
Pesticides and inorganic fertilisers	**Estates** have decreased the overall use of pesticides, not only limited to the buffer zones. Harmful weedicides have been prohibited. But estates and workers also pointed out that the best alternative weeding practices have not yet been established. **Smallholders** also reduced its use, but they could not indicate how effective alternatives were for proper integrated pest management and fertility management. **Control group**: no relevant feedback obtained.	Sri Lanka has banned the use of herbicides, notably of Glyphosate[9], but this ban may as yet not be fully underwritten in practice. Labour shortages may become an obstacle for suitable alternative options; see the example of compost making and/or mulching. Finding cost-effective alternatives (within the context of integrated pest management is still a challenge, which entails more effort than adhering to UTZ certification only.
Efficient water use	**Estates**: generally referred to the practice of water harvesting, largely by means of rehabilitation of 'interceptor drains', which channel runoff into the tea gardens. Tea gardens are then better protected against uncontrolled runoff from higher slopes. This water harvesting measure increased infiltration and moisture storage in root zones of tea bushes.	The extent to which this water harvesting was effective could not be established. In principle, the interceptor drains are an effective measure, but much attention is needed to proper technical design, avoiding too big runoff volumes and risks of erosion. This water harvesting measures fits perfectly with climate change adaptation.
Deforestation	Some **estates** explicitly referred to the need to conserve the few remaining forest plots on their estates. According to them these plots served as an extra facility to control runoff water and stimulate moisture conservation. On the K&B private estate 10% of the land was no longer cultivated (labour shortage) and was thus returned into 'waste' land, no longer invested in actively.	The conservation of these small forest plots makes sense; also because they are usually located on more difficult to cultivate land or slopes. We receive no feedback on deforestation, or tea garden expansion.
Biodiversity	**Estates** have implemented biodiversity studies, shown on signposts or billboards, identifying endangered species. These are as a result of Rainforest Alliance certification. **Workers** complained about nuisance with snakes during harvest and more insect attacks (they linked this with climate change). **Smallholders** mentioned more intercropping by tree planting activity, for two reasons: 1) for income increase; 2) for protection and shading.	The effective result of the biodiversity studies is limited. They have largely been made for compliance reasons. **Workers'** negative experiences may have a limited impact, but should nevertheless be monitored (discussed with workers at times) and solutions looked for if the problem is real. **Smallholder** tree planting is a useful example of agroforestry, combining economy and ecology.

[9] In May 2015 Sri Lanka became one of the first countries in the world to ban glyphosate, the world's most used herbicide.

	Status of outcomes	Assessment of outcomes
Climate change	Climate change was mainly mentioned with reference to more extreme rainfall patterns, which posed greater risks and uncertainty to tea bush growth and quality. Interviewees broadly wished UTZ to pay more attention to climate change. An element only mentioned by the Ethical Tea Partnership referred to the need to look more closely at appropriate shade management in tea gardens.	In principle, the more attention tea estates pay to GAP, the more resilient tea will become to climate change effects. Managers may claim to adhere to such GAPs, but the actual quality of adoption may vary and not be sufficient. It is worth increasing the scope of monitoring and evaluation of the effects of extreme rainfall events, making a better link with relevant knowledge institutions.
Waste	**Estates and workers**: noticed that there was generally less rubbish on the plantations and in community areas. Waste collection centres were constructed in estates and communities (seen during field visits). People appreciated this as a visible improvement.	Better waste management was however not generally practiced. Company and estate management acknowledged the need for more follow-up. The use of organic waste as a fertiliser may need extra attention in terms of skills training; compost production usually has serious labour constraints.

Overall assessment

The environmental improvements were least substantiated, which should not come as a surprise. The expected outcomes were less specific, as compared to GAP, GMP and social benefits. The clearest environmental improvement is directly and visibly linked with better waste management. Whether waste management could be expanded towards higher use of waste for fertilisation purposes may however be doubtful in view of labour constraints. Experiences elsewhere with compost production by smallholder farmers have generally been unsuccessful.

Climate change (adaptation) is the most relevant topic here: it could be perfectly connected with better water use efficiency (some positive but modest improvements noted) and GAP, if this would be supported by better soil fertility management. Better GAP and water and soil management would be the necessary building blocks for higher resilience for tea production.

4.5 Unintended changes

The evaluation has also assessed unintended changes – positive and negative - as a result of UTZ's introduction and training programme. Respondents mentioned limited substantial information about this change aspect, mostly mentioning negative changes. But the evaluation wants to highlight that the changes as expressed in Chapter 4.1 best illustrate **positive** changes that were more surprising than perhaps expected or intended. Changes with regard to the prevailing (plantation) culture on the estates, expressed as changes in mindsets, gender awareness, improved industry relations and a greater sense of shared ownership among estate managers and workers, were pleasant surprises. They were not described as very explicit changes in the UTZ Theory of Change, but they strengthened its relevance.

The unintended **negative** changes that were mentioned did not only relate to UTZ certification, but also to the wider tea system crisis. They did not disqualify the UTZ Theory of Change. These unintended negative changes were rather expressed as disappointments by the different categories of respondents. Overall, the extent or scope of these negative changes is very restricted. For illustration purposes, the evaluation has ordered them as follows:

Estate management

- Loss of trust in UTZ certification because of lack of demand for certified tea. Comparison with Rainforest Alliance was frequently made, as Rainforest Alliance certification offered a more assured market due to Unilever being the dominant buyer.
- UTZ premiums were not availed of and/or accessed.

Workers

- Complained about management in some estates, especially management who did not keep their promises for upkeep of social amenities (drinking water), lack of investments in sanitation in the workplace, no new or extra uniforms, and the like.
- At some estates workers complained about nuisances caused by insects and snakes in the field during harvesting; they associated this negative effect of nature conservation with possible effects on amounts of tea plucked.
- Workers struggled with relations with the unions as a result of their greater commitment to overall estate performance and their new sense of ownership.
- Complaints regarding the hiring of fewer workers, which meant that remaining workers were not able to implement GAP correctly.

Smallholders

- Higher productivity and better quality of tea led to more gross income, but in view of rising labour costs in particular, net farmer income has remained stagnant or even decreased.
- Loss of trust in certification by Keppitipola farmers, because the premiums for tea sold as UTZ batches were not paid to farmers.

5. Sustainability

Sustainability challenges faced by certified estates are manifold. They have both external and internal dimensions, interlinked with each other. They pose challenges for sustainability in the sense that, as long as they are not reduced or properly managed, positive changes as a result of UTZ certification will not last. In this chapter we start with an overall assessment of this sustainability as noted from the different interviews, both in the field and in Colombo. Next, we will explore a range of external and internal sustainability challenges. The external sustainability assessment also builds upon the content of Chapter 2. We will conclude this chapter on a more positive note by briefly assessing and highlighting several sustainability opportunities.

5.1 Overall sustainability assessment

The appreciation of UTZ certified estates and smallholders was significant at the start of its introduction and training programme. UTZ was seen as more comprehensive than other standards, covering all aspects of production and manufacturing; on top of that the premium when sold as UTZ tea on the market was seen as an additional incentive to adopt UTZ. The introduction and application of GAP and GMP was highly valued and the business logic strongly confirmed. The Institute of Social Development was the driving force behind the UTZ certification process within the tea sector, and it was useful for them to promote UTZ among plantations, since it addressed the issues affecting workers' rights and working conditions that are part of the Institute's mandate.

Tea estates strongly recognised UTZ certification as market driven, as primarily UTZ was sold and marketed on its sustainability dimension and (expected) demand. The application of UTZ would lead to overall improved business performance in terms of both quality and quantity. The 'extra' selling argument of the UTZ premium was in most cases not explicitly mentioned at the very start (though in hindsight this is impossible to validate). Still, the premium appeal remained strong for the certified estates. During this evaluation, four years after its start in 2011, the (lack of) UTZ premium had definitely gained a more prominent place in people's memories. It was constantly referred to during the interviews as their key expectation. The premium was seen as a necessary input to cover at least the annual audit costs for continued certification.

In view of the growing crisis in the tea industry, that potential business logic and motivation has lost its attractiveness. As compared to the initial situation in 2011, estate managers now generally see the better GAP and GMP as the integral component of their own estate management and performance. It was no longer strongly associated with UTZ only. Faced with current low tea prices at auction, which are by far not enough to cover production costs, all estates clearly declared their disappointment about the lack of a UTZ market and the non-appearance of the UTZ premium. Obtaining the premium was now seen as one way of softening this crisis. Even though the percentage of UTZ certified tea sold was very small, it would at least reward them for their efforts and investments in UTZ. Because of the non-payment of the premium, estates considered the option to discontinue UTZ; some already had done.

In general, a negative, though mixed picture has emerged. At plantation company level, highest management levels still supported UTZ certification, as they strongly believed in the long-term need for more sustainability in the market. It was also advantageous in terms of approaching (new) European markets and some even mentioned that they could access a niche market through UTZ. In their understanding, the development of the UTZ market required a more sustained effort. Estate managers had a shorter time horizon, facing the current loss situation on their own estates. The privately owned Kelaneiya & Braemer estate discontinued UTZ certification, and has now opted for the Rainforest Alliance standard. The management of the Tea Small Holders Development Authority was no longer interested in UTZ. But the certification body Sri Lanka Standards Institution still received applications for UTZ certification.

Looking at the **UTZ Theory of Change** more closely, the evaluation has highlighted a number of more fundamental changes that have taken place on a wide scale on estates in particular. These changes concerned the prevailing (plantation) culture on the estates, most clearly expressed in terms of changes in mind sets, gender awareness, improved industry relations, and a greater sense of shared ownership among estate managers and workers.

These changes may be read as the underlying 'pre-conditions' under the overall Theory of Change. They constituted the strongest basis for (future) sustainable impact categories to which UTZ aspires to contribute: better crops, better income, better environment and better life.

Even if at present these intended impacts did not yet fully materialise due to external challenges in particular, these fundamental changes will be difficult to undo. If conditions change for the better, these crucial changes will form the basis on which to build the hard changes, such as increased productivity, yields and quality.

5.2 External sustainability challenges

Shortly, certified estates and smallholders will face the following external challenges.

World market crisis: as depicted in Chapter 2, the tea industry in Sri Lanka is suffering from a crisis in the world market. Places that used to be prime markets for tea have been affected by their own crisis, and other markets have changed their tea preferences towards "crush, tear and curl". This situation means that Sri Lankan tea producers currently face difficulties in finding new markets, certified or not. The decreasing demand has a downward effect on prices. All estates, buyers and other value chain actors complained about this price slump, even below costs of production: average costs are around 450 Rupees per kg of tea, whereas selling price at auction are below 400 Rupees per kg. All estates are currently running at a loss. All actors agreed that Sri Lanka should concentrate on its orthodox tea and not move towards crush, tear and curl, because those countries that already produce this kind of tea are much better positioned on the world tea market. In relative terms Sri Lankan tea, protected by its Ceylon brand name, fetches amongst the highest prices of export teas due to its acknowledged higher quality and particular characteristics. But these higher prices do not lead to sufficient profitability, because of the low productivity of tea areas and high cost of production.

Production costs for Sri Lanka tea are the highest in the world. The biggest component is labour, which is around 70-80%. While labour costs are high, productivity is extremely low when measured in kilos of plucked tea/day/worker. The main reason for these high labour costs is the power of the unions in the tea industry, which have managed to uplift wages, fix daily plucking and working targets, and dictate working conditions. But in the current crisis scenario, wages are weighing too heavily on estate budgets and available working capital.

Labour force: the availability of labour has reduced. Though the picture is not negative or gloomy across the entire sector, the reduced attractiveness of tea plantations for a younger workforce has generally led to serious labour shortages. It has also led to upward pressure on wage levels. This contrasts with the labour-intensive character of investments needed at estate level, such as soil and tea bush improvements.

Mechanisation: mechanisation methods are seriously being considered by estates and higher value chain operators. Most efforts are still at pilot stage and being experimented with for various field operations: plucking, pruning, preparation of holes for new plants, weeding. Mechanised plucking was a hotly debated topic. People had contrasting views with regard to its possible effects on tea leaf quality, the impact this might have on the 'authentic image' of tea in Sri Lanka, and the ability to compete with countries that mechanised a long time ago. Different opinions existed with regard to the technicalities of mechanised plucking for tea quality. Obtaining the required flat 'plucking table' for the high quality tea needed would require a year. Stakeholders higher up the chain felt that the current crisis is a window of opportunity for clever mechanisation, that would ultimately also be appreciated by workers and unions.

Climate change: climate change was mentioned by several respondents, stating that it has affected tea production and growth. But this evaluation has not been able to collect more in-depth information or experiences on how climate change has affected the tea industry in terms of yield levels. Most references to climate change were equated to rainfall or monsoon variability, leading to greater extremes; to a lesser extent it was also linked to temperature increases. Generally, all stakeholders felt that they are not fully equipped and competent to develop appropriate measures to reduce the risks of climate change.

5.3 Internal sustainability challenges

The external crisis with regard to the profitability of tea estates and factories also has consequences for the internal dimensions of sustainability. It is difficult to expect further investments from estates to reduce internal sustainability challenges. This concerns relatively small investments such as replacing protective equipment, replacing worn out clothes – frequently mentioned by workers - as well as bigger investments in social and basic services, estate infrastructure and welfare provisions. Though these investments are fully justified by the need to keep complying with the UTZ Code of Conduct, estates are facing bigger internal investment challenges.

Soil fertility and tea bush management

Both factors of production, a healthy soil and productive tea bushes are crucial as a basis for the sustained production and quality of tea leaves. However, the widely improved GAP situation did not include proper attention to soil fertility improvement and tea bush rejuvenation. Although the available information did not allow the evaluators to ascertain the precise level of attention at each estate, it was repeatedly stated by external value chain actors that in many estates, little sustained effort has gone into the rejuvenation of tea bushes since privatisation in the early 1990s. The recommended replacement rate of 2% of bushes per year has not been followed.

Likewise, the quality of soil has deteriorated over time. Soil fertility management is more than just proper application methods and choice of fertilisers. Improving key soil characteristics, physically and chemically (nutrient quality and organic matter content) requires more attention over a sustained period of time, easily 5-10 years. Building this soil fertility is also likely to be a labour intensive process, which poses problems with regard to labour availability. Only a few estates openly acknowledged the need for this renewed investment.

Investments are needed to uplift both factors of production in order to retain and sustain the benefits of good agricultural practices. It is unlikely that in the current situation, estates will find the financial means to make these investments. The ownership of estates stimulates estate managers and companies to try to get as much profit as possible in the short term, as a result exploitation of land was mentioned by multiple respondents, including the Institute of Social Development.

Labour force

The current shortage of labour is strongly felt at the estate level. As stated before, the number of workers in estate communities as a proportion of total community population has decreased over the last few years: from 50% to 20%. As long as estates have responsibility for taking care of proper living conditions for entire communities, this will seriously add to the costs of production and reduce profitability.

The shortage of labour and the need to reduce production costs has direct consequences for the quality of maintaining the better plucking, weeding and fertilising practices in the UTZ Code of Conduct. Estate workers clearly noted these internal contradictions – the quality of adhering to GAP is suffering from the current loss-making situation. Improved fertiliser applications have started to suffer from this financial crisis as management must save on labour costs for survival reasons: an illustration of the shift of the investment horizon from long term to short term, even within annual cycles.

Internal management shifts

Several estates have seen frequent management changes for reasons unknown to the evaluators. The evaluators regularly interviewed managers who had no or limited experience of UTZ or its programme. In view of the broad training scope of the UTZ programme, such management changes need not be an obstacle for sound application and compliance with UTZ. Knowledge and understanding of UTZ are widespread, shared and owned by all different staff and management levels; and as argued before, the positive performance outcomes may no longer be associated with UTZ. We also have no clear indications that these changes had a direct negative effect on improvements accomplished. Complaints raised in regard to management changes may have more to do with perceived problems when improved relations are discontinued because of staff departures.

Lack of internal coordination

An internal management issue that did present challenges was the lack of coordination, alignment and communication between estate management and higher company management. Estate managers often did not know about, and had not received information from company management, on UTZ premiums. Estate managers had no access to the portal, whereas plantation management did. This internal lack of communication was also felt and experienced by buyers and brokers, who only dealt with the plantations. They observed the difficulties in getting their information across to the estates about tea quality requirements.

It is relevant to note that plantation company management was often more positive on the need for UTZ certification than estate management.

Plantation management had a longer-term perspective of market demand and understood the need for UTZ certification, also realising the need for investments. Contrary, estate management was more concerned with annual survival and financial balance; and therefore felt less positive (some frustrated) by lack of reward for UTZ certification. They wanted to stop UTZ certification to avoid the annual audit costs.

Smallholders

Lack of viable business model: the Tea Small Holders Development Authority doubted whether smallholders could develop a business model based on tea growing. According to them the size of smallholders' farms – 75% of farmers cultivate tea on less than one acre - was a limiting factor for profitability, and that by a calculation of average yield levels (harvested weight), price per kilo and costs of production, possible profit margins would be too small to attract a younger generation. Our feedback as evaluators cannot validate this concern, but a farm-based cost benefit analysis would indeed be needed to understand the rationale of growing tea in view of other economic opportunities.

Quality/matching market demands

Maintaining the quality of tea production is crucial to meeting market needs. Buyers are seeking stable and reliable quality teas that meet import requirements for destination markets. The fact that the tea is produced according to certification standard is not sufficient. As both end-buyers (Douwe Egberts) and Colombo based-buyers and brokers stated: "*Quality is the most important criteria for tea buying and it cannot come at the expense of certification*". Producers cannot expect that buyers will buy certified tea if the product does not meet their quality requirements and if prices are not competitive.

UTZ market development

At the moment the existing UTZ market demand is far too low. All stakeholders agreed that the UTZ market must first show clear signs of improvement before they will make any further (internal) investments. Respondents realised that development and growth of a UTZ market takes time, but they still expected to see clear and promising efforts, as a strong indication of UTZ buyers' commitment to the market.

Producers' perception on UTZ transparency and the broader value chain

During discussions with various Colombo stakeholders in the second half of the evaluation it became clear that they perceived a sort of contradiction in the tea value chain. On the one hand, they saw full transparency at the production and manufacturing level of the chain, but on the other noted a lack of transparency after selling at auction and the price paid by the consumer at the retail end. Building up of prices and costs are transparent at the lower side, but the same is not the case at the upper part. In the current crisis, where production companies are operating at a loss, that situation creates bad feeling, contrary to the image of what transparency should be all about. The allegations of some certified tea producers of not receiving UTZ premiums for sales of UTZ certified tea then adds to that image. The fact that many estate managers are not able to access the portal or don't know how to use it also adds to this feeling of a lack of transparency.

5.4 Sustainability opportunities

Apart from the challenges depicted above, there are also positive sustainability steps and achievements that are worth mentioning and highlighting. These opportunities have been mentioned and discussed during several interviews and meetings. All respondents agreed with these opportunities, though to a differing degree.

Knowledge base

The explicit focus on greater knowledge of workers, not limited to issues of direct importance for them but also linked to the overall economic and business performance of the estate, was an achievement likely to be sustained. The appreciation for this increased knowledge was widely shared not just by workers, but also by management. This recognition of the added value of a sound knowledge base will not easily get lost. The best reason for this continued sustainability was the cultural mindset shift it has led to in both workers and managers.

Working or industry relations

The achievements in industry relations between workers and management (at different levels), which used to be very hierarchical, are very likely to be sustained. Having recognised a greater joint feeling of ownership, the greater acknowledgement of a win-win situation leading to a joint feeling of responsibility towards the overall estate and factory performance, has been a strong asset of UTZ certification. That improved relationship is likely to be continued even now that profitability is under fire. Having said this, estate managers must be fully transparent on their decisions and information on actual financial performance.

Improved labour conditions

In spite of wider concerns concerning labour availability and attractiveness, the evaluators also received several positive indications that may open (small windows of) opportunities for a younger workforce. Improved living conditions in combination with a stronger knowledge base, mechanisation pilots and greater sense of ownership may also have a favourable effect on the labour force. The indications and examples mentioned were:

- Mechanisation will ease labour burdens and possibly change the image of a sector characterised by heavy, old-fashioned, manual labour into a more modern sector. Ultimately, women are also expected to become accustomed to properly mechanised operations.
- More possibilities of movement of the female workforce into higher functions in the field, factory and office, such as to the role of female field supervisors.
- Relative greater income stability in the tea sector (if profitability is regained), compared to unstable urban jobs.
- Improved living conditions with basic modern facilities also attracts younger families, there were instances when young people who had left the estates in search of employment in urban areas, but who came back to settle on the estates when they got married and started families.

Stakeholder coordination meetings

Colombo high-level stakeholders stated that they would continue their coordination meetings. That would be an interesting, more systemic spinoff to the UTZ programme. It will be relevant to monitor this promise, see whether it will be done formally or informally, which topics will be discussed, and how stakeholders will cover and share costs and resources for conducting their meetings.

Outgrower models

In itself the search for and emergence of different outgrower models is not directly related to the current UTZ standard. But it will be relevant to ascertain whether, if an estate makes use of an outgrower model, it might have consequences for the UTZ standard. The various alternative outgrower models being considered have the potential to influence and develop sound industry relations and productivity. But their rationale and design must be presented and decided on in a clear and open manner between the stakeholders engaged. For achieving sustainability these models must achieve a win-win situation, with equal benefit and risk sharing. All outgrower models must distinguish between workers and farmers as outgrower partner.

6. Conclusions and Recommendations

The main and sub-questions of the terms of reference have formed the framework for the conclusions and recommendations of this evaluation. But we start with key observations on the overall assessment of UTZ. After that, we will formulate the answers to the evaluation questions.

6.1 Overall conclusions

The UTZ standard has been highly and widely appreciated by all stakeholders for the reason that it is systemic, comprehensive and pays attention to all key ingredients of business performance in tea production units: management, economic, social and environmental. Better production and manufacturing practices have been achieved, are now owned by the estates, and have set the new norm. However, due to the crisis in the tea sector the attention of UTZ certified estates and smallholders has shifted to compliance-based certification instead of performance-based certification. Towards the end of the evaluated programme period, 2015, the premium had become a stronger driver for certification than the business case of improved performance and quality. Without receiving the reward of the premium, estates were losing interest in continuing with UTZ.

The marketing of UTZ has been seriously lacking, and UTZ market demand has more or less remained stagnant – contrary to initial expectations about increases. Estates that sold UTZ tea from the beginning of the certification period saw the relative portion of UTZ tea to their total certified volume reduced to practically zero in 2015. This lack of a growing UTZ market has now become disincentive for further certification by estates. Still, most tea stakeholders agreed that UTZ will become the sustainability standard on the market, even though this will take much more time.

Looking at the wider systemic picture of the tea value chain, stakeholders perceived that UTZ was too much focused on tea production only, and that transparency has improved in the production part of the chain, but not further downstream in the trading chain leading to final market. Overall transparency in terms of costs and benefits, and risks remained unequal. The current tea crisis has further fuelled this feeling of unjust treatment or double standards.

The Theory of Change has been relevant and applicable for the certified tea programme at large. What the Theory of Change did not fully or explicitly articulate was the requirement for a greater knowledge base and mind set of workers, leading to an increased sense of ownership and improved industry relations within the estates. Those improvements illustrated the strong and necessary basis for the longer-term outcomes that the Theory of Change wishes to contribute to.

1. What are the main sustainability challenges for tea estates, factories and smallholder farmers in Sri Lanka in the economic, social and environmental domain?

The main external sustainability challenges are:

- Crisis in the world tea market.
- High production costs of tea.
- Low labour productivity connected with high percentage of labour in total costs of production and reduced labour availability.
- Unclear perspective of mechanisation as a solution to labour shortage.
- Climate change effects and possible adaptation measures.

These external challenges are affecting the entire tea sector and its stakeholders, regardless of whether they are certified or not, as Sri Lanka finds itself in a more disadvantaged situation than all other tea producing countries. UTZ certified estates and smallholders may have a better chance of overcoming these external challenges, because of their better productivity and performance. Some estate managers and smallholder groups have experienced a (slight) price increase for UTZ tea, compared to non-certified tea, which has made them more resilient. But presently, that overall improvement is not enough to run the business at a profit. Overcoming these external challenges is a matter of long-term changes, interventions and investments; largely outside the direct scope of UTZ.

UTZ finds itself in a relatively unfavourable position, because of its small sized UTZ market abroad. But most importantly, UTZ has created an image of being more coffee than tea orientated. All stakeholders were well aware of the success of UTZ in the coffee sector. They therefore posed the question: is UTZ really serious about tea? They also strongly felt that the UTZ market must first demonstrate a greater demand before they, the entire tea sector, would make more efforts to widely promote the UTZ standard in Sri Lanka.

2. What characterises the current social, economic and environmental conditions and practices on UTZ certified estates, factories and smallholder farms?

As a basis for the current social, economic and environmental conditions and practices, the 'management' aspect must be emphasised. Better industry relations, the greater sense of ownership and responsibility felt by workers, a belief in a win-win situation, and gender empowerment have created the necessary 'soft' management basis for subsequent lasting improvements in all three domains. Where the UTZ Theory of Change talks about a skilled and motivated labour force, this improvement can be seen as the result of better working conditions - but even more so, as the result of the change in mind set of both workers and management that underlined all other changes.

- **Social**: better working and living conditions at workers' household and community level. Especially, health-related improvements have been enormously valued by each and everybody. It was also acknowledged that social improvements have an immediate effect on work discipline and motivation, thus directly contributing to better business performance. At household level these benefits contribute to broad aspects of a happy family life; at community level, these benefits contribute to a broader sense of attractiveness of the tea sector for longer-term employment; for young people in particular.
- **Economic**: technically better performing; GAP and GMP practices have direct visible and measurable results; leading to better quality and productivity of tea leaf production and manufacturing. However, long-term investments in soil fertility and tea bush rejuvenation are seriously lagging behind.

Currently, the better internal cost/benefit ratio was insufficiently rewarded by current selling prices; leading to a loss-making situation for estates in particular. Though certified estates have been loyal to UTZ, as a result of the highly appreciated support they have received through the scheme, they are now reconsidering their continued UTZ certification in view of a (near) absence of UTZ premiums and a disappointing market. The attractiveness of Rainforest Alliance because of its assured market demand through Unilever offers the better option for continued certification and an easy alternative for UTZ certified estates that are not yet Rainforest Alliance certified. Their UTZ standard qualifies them relatively simply for Rainforest Alliance certification.

- **Environmental**: positive changes in terms of health and safe use of pesticides - to the extent that GAP happens, this has contributed to more resilience of tea farms; this positive effect is greater for smallholders than for estates. The more diversified smallholder farm portfolio contributes to this improved resilience. Attention to water use efficiency and climate change has so far remained fairly superficial, but the evaluation did not consider this as a serious weakness. It merely illustrated the need to remain modest about achievements.

3. How do the conditions on the UTZ certified estates, factories and farms compare to those on comparable non-certified estates, factories and farms?

The direct comparison between UTZ and control groups is not easy and straightforward. In view of the small number of estates and factories included in this evaluation, the individual, specific situation of each estate or factory had a great bearing on the overall assessment. So, the following statements have to be read with caution.

Estates and control estate: In general the selected UTZ certified estates belonged to the better performing echelons in Sri Lanka. Therefore, the UTZ related improvements could be realised with relatively less efforts and may be assumed to last longer. This is illustrated by Gonapitya as a control estate, that did not qualify for the start of the UTZ certification process due the low base level of (estate and) factory performance. The K&B privately owned certified estate seems also to be unique in terms of very positive internal management-worker relations and its true business interest in line with UTZ. The more systemic attention paid by UTZ to the interplay between economic, social and environmental issues has a unique quality and contributed much to felt benefits, a situation that is not likely to be experienced by control estates.

Workers and control workers: both improved industry relations and working conditions in certified factories are key indicators that distinguish the two groups of workers. The differences in industry relations are more relevant for sound business performance in estates and factories than the working conditions. Community living conditions are also (partly) influenced by the Sri Lankan state, which implemented housing schemes together with estates, so conditions in this field cannot be attributed purely to UTZ certification.

Smallholders and control group: in general smallholders scored more consistent progress in terms of yields, tea plucking quality, maintenance of tea leaves after harvesting, diversification of their farms, and reinvestments into tea production. For the control group, the situation on their farms was more characterised by stagnancy. Even though control group farms had received external support in the past, apparently that external support had not exerted a long-lasting effect on their farm's performance. Whereas knowledge levels of both groups may have had external support, the results lasted longer with UTZ certified farmers than in the control group.

4. To what extent have the conditions and practices on UTZ certified estates, factories and smallholder farms improved over the past four years?

The actual number of UTZ certified estates, factories and smallholder farmers has increased during the programme period 2011-2015. This has also led to improvements in terms of improved yield levels, tea leaf quality, rejection percentage for leaves harvested, and improved processing in tea factories.
Since 2014 however, sales and income have stagnated. UTZ sales have decreased as a percentage of the total certified supply. This reduction did not reflect the strength of UTZ *per se*, but rather the imbalance in UTZ market demand and supply.

5. What and how did the UTZ programme contribute to these improvements?

It is appropriate to state that the UTZ programme has considerably contributed to various improvements that have been mentioned by the different target groups and stakeholders. Attribution of these improvements cannot be claimed by UTZ alone, as to a more or lesser extent, all the target groups have been reached by other certification inputs before the introduction of UTZ. There was a variable extent of overlap with other voluntary standards, such as Ethical Tea Partnership, Fairtrade and Rainforest Alliance among others. Linked with these other external inputs and their own internal investments, the baseline situation varied per estate in terms of yields and quality. Estate management expressed the UTZ contribution therefore in diverse terms, describing its added value in more or less explicit terms.

However the more systemic, broader UTZ training programme, using reputed and knowledgeable experts from different tea sector corners, and the better designed training approach and schedule, were strong indications that a fair number of benefits were strong results of the UTZ programme.

The following clusters of results can be seen as the best and strongest illustrations of the contributions of the UTZ programme:

- Underlying knowledge base and sense of ownership of workers: cultural mind set shifts.
- GAP and GMP improvements on estates and smallholder farms.
- Improved industry relations on estates between workers and management.
- Improved position and recognition of women workers on the estates.
- Occupational health and safety in factory and in field.
- Community health: first aid kits.
- Greater systemic involvement of higher value chain stakeholders and sector institutions: result of coordination meeting and platform.
- Record keeping in the factory, in the field and by smallholders (using their diary).

6. What do these improvements mean for different stakeholders?

Estates had a positive appreciation of the economic and social benefits of UTZ; improved industry relations were the key element. But their current appreciation has been negatively affected by the tea sector crisis and its low prices. Nowadays, they have a more short-term view in terms of daily management and survival. Contrary to this, senior management at the plantation companies in Colombo had a more long-term view, and therefore continued to appreciate the added value of UTZ whilst acknowledging the short-term crisis situation. Compared to smallholder production levels, improvements on estates may have been less prominent because the latter had a higher base level as a result of previous voluntary sustainability standard support and training.

Workers: high appreciation as a result of their increased knowledge base, sense of ownership and feeling of responsibility for business performance. They felt more recognised and taken seriously by estate management as workers and collaborators. Health-related improvements in their households and communities also contributed to their overall appreciation. Though it is difficult to describe the differences in perception and appreciation by men and women in precise terms, the overall impression was that women have relatively gained more from these benefits than men.

Smallholders had a strong appreciation for the benefits of UTZ on their farms: starting from a low level of tea production, their tea production and quality increases have been significant. Better GAP for tea also had positive effects on other crops grown on their holdings. Although the extent of these other crop improvements has not been measured or assessed, it can be safely assumed that overall their farms have improved and are better performing; showing a higher resilience against external shocks of markets, weather, etc. Their better performance has also led to better relations with relevant government institutions; it is not known whether this has led to more support from these institutions. Smallholders now also looked for other buyers beyond their own Bought Leaf Factory.

Downstream value chain actors: took a positive outlook to production-orientated improvements at estate level and agreed that UTZ was a good standard with a great future potential. They were critical of the choice of presently certified estates because in their view the supply of UTZ certified tea did not always match the specific tea quality requirements of UTZ buyers. They were critical on the choice of high tea grown areas only. They had doubts about UTZ efforts to promote destination markets and find new buyers.

6.2 Recommendations

The following recommendations have been formulated as a result of the previous findings and conclusions.

Promotion of UTZ market

- Joint promotion efforts by tea packers, traders and retailers in destination markets as well as buyers in Sri Lanka. For that purpose it is extremely important that current promising marketing strategies and emerging results in destination markets (such as is happening now in Germany) are continuously and properly communicated to and known about by Sri Lanka buyers, so that UTZ market perspectives can be fully used by them in their promotion efforts.
- The new UTZ website and Better Business Hub could be better used to collect case studies, farmers' stories and showcase companies and producers. This would be in line with the suggestion of some buyers and estate managers to develop stories of UTZ premium use as part of a wider promotion campaign. Assist estate managers to develop such stories.
- UTZ should potentially look at a joint approach with producers to target buyers who are still buying conventional (non-certified) teas, and together promote UTZ to these companies.
- Develop case studies on the use of the premium in worker communities and smallholders, requested by SL buyers, to be able to promote the UTZ tea.
- Stimulate joint in-depth understanding about the specific quality requirements of UTZ certified tea by buyers, estates and Sri Lankan tea institutes with the aim of improving the production of certified tea beyond merely technical compliance with the UTZ standard. More attention to this tea quality in line with market demand would help a move to performance-based compliance.
- Define clear aspects of performance-based certification complementary to compliance-based certification.

Premium

- Agree on fixed amount in rupees per kilo in order to avoid complications in trading at auction; or at least develop a procedure that is clear to all stakeholders.

Expansion of UTZ certified supply

- Must be tailored to a UTZ market increase, otherwise it will cause frustration among presently certified estates and companies.
- Need for better alignment between estates that supply the right quality of tea and markets that look for UTZ tea.
- Select other estates on the basis of the quality of their current tea bush planting stock and rejuvenation. In this way the supply chain will be more sustainable, avoiding estates that will soon have to make heavy investments in tea bush improvement, replanting and rejuvenating.

A new UTZ training programme: if a continued UTZ training format is contemplated, then think about the following improvements:

- Sit down with estates and develop tailor-made training modules using internal resources and experiences.
- An improved selection of trainees, looking at those with a greater chance of staying in estates.
- Include a bigger variety in terms of age; look at young people interested in developing a 'tea career'.
- More attention to follow-up support staff, posted over a longer period of time to monitor changes and obstacles.
- Support estates and companies to develop a more effective internal knowledge transfer system, combining expert and coaching style training.

- Establish internal issue-based committees that take a lead role in application of new knowledge.
- Attention to a minimum monitoring and evaluation system, tailored to the UTZ Theory of Change and different stakeholder sub-categories (gender, youth).

Smallholders

- Need more close coaching for better compliance with the UTZ Code of Conduct. The best entry point for this coaching is the quality of record keeping, as this opens doors for best learning and reflection on UTZ certification, on internal control system performance, their collaboration with other value chain actors and overall farm operations.
- Make sure that smallholders are familiar with all the possibilities of UTZ tea, the other actors interested in tea, and the way the premium is decided on, in order to avoid confusion.
- Check and/or investigate the viability of a tea smallholder business model in collaboration with the Tea Small Holders Development Authority and other relevant institutions.

Climate change management

- Agree with key institutional stakeholders such as the Tea Research Institute, and field-based stakeholders (estates, smallholders,) the currently-known basic technical components and performance criteria that constitute best practice for climate change adaptation.
- Focus on application of higher quality of GAP for optimal resilience and climate change adaptation.
- Establish closer links with knowledge institutions such as the Tea Research Institute in order to constantly update new insights and exchange field-based experiences.
- Possible elaboration of pilot sites on estates in collaboration with research or knowledge institutions.

Overall

- Efforts to agree with other certification standards on one single audit procedure and document to reduce the burden on tea producers.

Annex 1. Terms of Reference

About UTZ
UTZ is a voluntary sustainability standard for tea, coffee, cocoa and hazelnuts. UTZ stands for sustainable farming and better opportunities for farmers, hired workers, their families and our planet. The UTZ programme enables producers to implement better farming methods, improve working conditions and take better care of the environment. On the market side, UTZ stimulates and supports retailers, traders and manufacturers to source and trace certified products, and to reward certified produce with a premium.

By adopting the UTZ code of conduct, which includes regular third party audits, producers implement better agricultural, social, environmental and management practices. According to UTZ's Theory of Change, this should result in a virtuous cycle with positive outcomes on farm efficiency, higher yields and revenues, safer and healthier working conditions, better working relations, and safeguarding the environment.

Important elements of the UTZ standard are:

- The code of conduct for individual and multi-site certification. Contains the requirements that are at the heart of the UTZ programme, covering better farming methods and working conditions, as well as better care for nature and future generations.
- The code of conduct for group and multi-group certification.
- The tea-module, a product specific annex to the code of conduct with specific requirements for tea production and processing.
- The certification protocol: explains the structure and process of certification.

The UTZ tea programme in Sri Lanka
UTZ certified tea is produced in 10 countries by more than 8,500 farmers and 45,000 workers, and is consumed in 41 countries. The number of supply chain actors (exporters, retailers, packers) involved in trading, processing and marketing UTZ certified tea is around 200, operating mainly in the European market. Around 100 stock keeping units presently have the UTZ tea label. The volume of certified tea produced in Sri Lanka grew from 889 metric tons in 2011 to 5,447 metric tons in 2014, making Sri Lanka the third largest producer of UTZ certified tea after Malawi, Kenya and Indonesia. The UTZ tea programmes in Malawi and Kenya were evaluated in 2013

In Sri Lanka 85% of UTZ certified tea is orthodox black tea, and 15% is green tea. Sales of UTZ certified tea from Sri Lanka were 158 metric tons in 2014. The supply/demand ratio (2014) of UTZ certified tea worldwide is 6%, and for Sri Lanka it is 3%. The main reasons for this low ratio are: a) much UTZ certified tea is sold to markets where there is still little demand for sustainable tea (eastern Europe, Asia, Middle East); b) multiple certification; and c) a mismatch between the types and qualities produced and those demanded by the markets where UTZ has gained more acceptance. Realising a better match between supply and demand of UTZ certified tea remains challenging.

The UTZ programme in Sri Lanka started in 2011 with three certificate holders, and has gradually expanded to seven certificate holders in 2015. Most UTZ certificate holders are tea estates managed by plantation companies that manage several estates. Tea plantations in Sri Lanka acquired majority shares in formerly state-owned plantations in the 1990s. The land still belongs to the Sri Lankan government, but the plantation companies manage the production, processing and marketing of tea. These companies have typically certified one or more estates to one or more voluntary standards, and may also hold other types of certificates, such as ISO 22000. Two UTZ certificate holders are groups of smallholders, with a total of 325 members. The tea is processed in factories that also fall under the UTZ certificate. The certified estates and factories employ 4,504 permanent and 220 seasonal workers.

The UTZ certified tea estates are situated in the higher producing regions (Nuwara Eliya, Ragala), with a total production area of nearly 3,500 hectares. They produce mainly for the export market. Tea from Sri Lanka goes mainly to Middle Eastern and eastern European markets.

Four of the seven UTZ certificate holders are also certified against the Rainforest Alliance, Fairtrade or biological standards. Multi-certification is an aspect that needs to be taken into account in the evaluation design.

Since the start of the programme in Sri Lanka, one group certificate holder (3,000 members) discontinued UTZ certification and dropped out of the programme.

UTZ certificate holders in Sri Lanka (June 2015)

Certificate holder Type	#	Cultivated tea area (ha)	# Estates	Group Members	# wage workers
Multi site	1	939	6	n.a.	2355
Group	2	748	2	325	
Individual	4	1257	4	n.a.	2149
Total	7	2944	12	325	4504

UTZ certificate holders in Sri Lanka received assistance from Solidaridad (international NGO) and the Institute of Social Development (based in Sri Lanka) to implement the UTZ programme between 2011 and 2015, with technical backing from UTZ and with funding provided by the Douwe Egberts Foundation and Initiatief voor Duurzame Handel. Experts from the Tea Research Institute, the Tea Small Holding Authority and other local organisations provided training to certificate holders on good agricultural practices, good manufacturing practices, occupational safety and health, first aid, labour rights, women's rights and children's rights.

Sri Lankan traders involved in the UTZ certified supply chain are certified (Chain of Custody certification), to ensure the traceability of the certified product. The tea export in Sri Lanka takes place via a regulated auction system, with an important role played by agents and brokers.

The yearly external audits are contracted and paid for by the certificate holders, and performed by certification bodies who have been screened and monitored by UTZ. At this moment three certification bodies provide auditing services on the UTZ code in Sri Lanka: a national certification body and two international certification bodies.

UTZ Theory of Change

The UTZ Theory of Change and **monitoring and evaluation** framework explain how the expected social, economic and environmental benefits come about, and which indicators are used to monitor and evaluate the outcomes.

The UTZ code of conduct requires producers to implement a management system that enables them to systematically monitor risks, identify areas for improvement, and take appropriate actions. The UTZ code also requires that workers are trained on work safety, that they know their rights, and that there is a system in place to address grievances. Some control points of the UTZ code are mandatory from the first year of certification, while others are aspirational at the start but become mandatory in the course of the first four years of certification. This is expected to put the certificate holder on a path of continuous improvement.

On the market side, the UTZ programme engages with tea buyers in different markets to connect them to the UTZ programme and encourage them to source UTZ certified tea. UTZ is designed to be a market-based, scalable sustainability standard, which means that producers and buyers anywhere in the globe can use the standard without UTZ as organisation necessarily intervening.

The payment of a premium for certified produce is required by UTZ, the value of which is agreed upon by market parties and reported to UTZ. The UTZ programme is funded by fees from member companies (75%) and from earmarked grants (25%). Producers do not pay fees to UTZ, but have to pay for their audits and for implementing the necessary improvements to comply with the UTZ standard. These costs of certification should be recouped by intrinsic rewards such as improved efficiency, increased productivity and by extrinsic rewards such as premiums and enhanced reputation. All benefits should add up and make the business case for certification from the producer's perspective as well as from the buyer's perspective.

The monitoring and evaluation system at UTZ has been designed to look at the outcomes and impact of the programme as whole, as well as of specific aspects. The system complies with the ISEAL Code of Good Practice. This code requires standards organisations to systematically monitor and evaluate the effects of their programmes across a wide a range of countries and products, and to be transparent about their results. Previous impact evaluations commissioned by UTZ were carried out on coffee in Vietnam (2012), Colombia (2014) and Brazil (2015), on cocoa in Ghana (2012 and 2015, forthcoming), Ivory Coast (2014) and Indonesia (2015, forthcoming), on hazelnuts in Turkey (2014) and on rooibos in South Africa (2014).

Purpose and goal of the evaluation
Purpose: to inform UTZ and stakeholders about the outcomes of the UTZ tea programme in Sri Lanka (2011-2015), and to draw lessons and recommendations for UTZ and stakeholders.

Goal: to identify, describe and evaluate from the perspective of different stakeholders the social, economic and environmental outcomes of the UTZ tea programme 2011-2015 in Sri Lanka. The evaluation findings should be contextualised with reference to the situation in the Sri Lanka tea sector, the UTZ Theory of Change (expected pathways of change and outcomes), and broader trends within the sector of voluntary sustainability standards.

Scope
The UTZ programme in Sri Lanka consists of interrelated components/workstreams, some of which are managed and delivered by UTZ (e.g. the code of conduct and traceability system), whereas other components are funded, initiated and delivered by NGO-partners (e.g. Douwe Egberts Foundation, Solidaridad and the Institute for Social Development), and other service providers (e.g. certification companies). The NGO partners who contributed to the UTZ programme in Sri Lanka have done so as part of their own development programmes, which are not the object of this evaluation.

Evaluation questions
The evaluation should present a holistic and integrated picture of what and how the UTZ programme has contributed in bringing about social, economic and environmental improvements on certified estates and smallholder tea farms in Sri Lanka, from the start of the programme in 2011 to date.

The evaluation should analyse the UTZ programme as a system consisting of different components/interventions, managed and implemented by different stakeholders, which interacts with the local context and is used by actors in the international tea supply chain, leading to certain sustainability outcomes.

Main questions
- How and to what extent has the UTZ programme in Sri Lanka contributed to economic, social and environmental improvements on tea estates, factories and smallholder farms in Sri Lanka?
- Who benefits from the certification programme? In what way(s)?
- How are these improvements valued by different stakeholders? Stakeholders to be taken into account are estate owners and managers, hired workers, smallholders, trade agents UTZ staff.

Sub-questions
1. What are the main sustainability challenges for tea estates, factories and smallholder farmers in Sri Lanka in the economic, social and environmental domains?
2. What characterises the current social, economic and environmental conditions and practices on the UTZ certified tea estates, factories and smallholder farms?
3. How do the conditions on the UTZ certified estates, factories and farms compare to those on comparable non-certified estates, factories and farms?
4. To what extent have the conditions and practices on UTZ certified estates, factories and smallholder farms improved over the past four years?
5. What and how did the UTZ programme contribute to these improvements?
6. What do these improvements mean for different stakeholders?
7. How can UTZ improve the relevance and effectiveness of its programme in Sri Lanka?

Design and methodology
The UTZ Theory of Change will serve as a point of departure, and will be analysed in the context of the Sri Lankan tea sector.

Baseline data on the certificate holders is not available, except for a pre-audit gap-analysis.

The design and methodology of the evaluation needs to give plausible answers to the evaluation questions, while mitigating the main validity threats. The inclusion of a counterfactual in the evaluation design is welcomed, but needs to be embedded in a mix of selected qualitative and quantitative methods. Triangulation of data gathered with different methods is key to mitigate validity threats: self-selection, absence of baseline data, leading questions, and multiple certifications. A control group of non-certified estates could for example be obtained by sampling non-certified tea estates from tea plantation companies that manage UTZ certified estates.

Given the relatively small number of certificate holders (7) and estates (12), it is feasible to gather data from all certificate holders. We think that evaluation methods such as contribution analysis, qualitative comparative analysis (QCA), and process tracing should make it possible to answer the evaluation questions. Different data collection methods are needed to gather the experiences and views of different stakeholders: estates managers, factory workers, tea-workers, smallholders, supply chain actors, etc. The methodology and composition of the evaluation team should ensure that the subjective views of female respondents and workers have an equal chance of being heard and taken into account.

To contextualise the findings, resource persons in the tea sector, standard systems, NGOs and government agencies need to be interviewed as well.

Deliverables

- Detailed evaluation proposal
- Draft report
- Presentation and discussion of draft report at a stakeholder validation meeting (in Sri Lanka)
- Final report
- Power point presentation

Time schedule

- Deadline for proposals: 18 November 2015
- Selection and contracting: 23 November 2015
- Detailed researched proposal: 21/12/15
- Data collection: 15/Jan/16 – 28/Feb/16
- Draft report: 15/Mar/16
- Validation meeting between 15/Mar and 30/Mar
- Final report: 30/Mar/16

Budget and payment schedule

Available budget €40,000

- 60% upon signature of the contract
- 40% upon approval of end deliverables

Profile of the evaluation team

Proposals can be submitted by legally established organisations (or consortia) with a track record in the design and implementation of evaluation research in the domain of international business, administration and/or development. Consortia should designate a leading partner upfront.

The expertise of the team shall cover:

- Knowledge and understanding of voluntary standards systems in the agricultural sector
- Substantial experience with designing, managing and carrying out (impact) evaluations
- Knowledge and understanding of the Sri Lankan tea sector
- Languages: English (reporting), Tamil and Singhalese (essential for data collection)
- Excellent analysis, collaboration and reporting skills

Proposals shall include:

- A description of how the evaluation team intends to answer the evaluation questions,
- covering the essentials of design, methods and planning. (A detailed research proposal is
- part of the deliverables after contracting).
- Name, employment/affiliation, place of residence and relevant work experience of each
- team member.
- Role/responsibility of each team member.
- Individual fees and number of days/person allocated to this evaluation.
- Budget (in Euros) specifying: personnel costs (daily rates, # of days), travel and
- accommodation, overhead/administration, others.
- Disclosure of conflicts of interest.
- Evaluation quality standards your team/organisation adheres to.
- Contact details of the team leader.

UTZ will provide

- Contacts with certificate holders and implementing partners.

- Local logistical advice (the logistical costs have to be included in the evaluation budget).
- Meeting venue and travel costs for local stakeholders who will attend the validation
- workshop. (Fees, travel and accommodation of evaluators are to be included in the
- evaluation budget).
- Documentation and available data.
- An account manager who will ensure timely input and feedback during the evaluation
- process.

Annex 2. Sample Interview Format

Interview format for (field) managers & management

	questions	answers
1	**Short description of respondents' situation**; overview of other projects strengthening the tea sector performance; relative importance of UTZ certification programme.	
2	**Introduction questions** about the history of involvement in UTZ certification programme; what was the reason or motivation for involvement; how were you selected; what were your initial expectations?	
3	**Appreciation of UTZ certification programme**: strong and weak activities; why?	
4	What other activities did you invest in for obtaining UTZ certification? Please, explain reason why you did so.	
5	Appreciation of other certification standards (Rainforest Alliance, Fairtrade, Ethical Tea Partnership) that you may have been engaged in. Why?	
6	**2011-2015**: **comparing baseline situation with current situation**: which were the different improvements on your **estate or factory?** Discuss each item separately; how and why did these changes materialise?	
7	**Economic**: quality of your tea plantation; tea production, tea quality, plantation or farm efficiency: costs of production (inputs, labour), prices of tea, access to inputs, access to technical services.	
8	**Social**: number and type of workers in the factory or estate, composition of workforce (men/women), motivation, work or function; wages paid (cash and kind); standards of living.	
9	**Environmental**: soil erosion control, soil fertility, use of compost, recycling of organic waste, waste water treatment, protection of water resources; water management, biodiversity.	
10	**Use of income gained**: for which purposes did you use your income? Did you also use it for re-investment into your estate activities? Or in other productive activities? If yes, in what and why? Results? If not, why not?	
11	**Attribution and contribution** to changes: role of UTZ certification programme to these changes.	
12	**Unintended changes positive**: what have been surprising changes of UTZ certification? Possible copy effects by others? Spinoffs to other crops?	
13	**Unintended changes negative:** any changes that caused you concern or challenges; what did you do about these changes?	

14	**Benefit distribution** among estates: differences noted? What were the reasons for these differences? Did you take any action to reduce these differences? Why? Attention for **gender** dimension; other **diversity** dimensions.	
15	**Appreciation of relations within factory, with smallholders and other tea actors**; changes and/or improvements observed in your relations with them? With who? How?	
16	**Sustainability**: which of the changes mentioned do you think are likely to be continued on your estate or factory? Why? Why not?	
17	Which challenges or obstacles do you face to continue with these changes?	
18	Possible solutions for these challenges; what can you do yourself and what should others do?	
19	Suggestions for improvement of UTZ certification programme.	
20	Any final comment or question of the respondent.	

Annex 3. Evaluation Calendar

Netherlands based interviews

Date	Name	Organisation
14 December 2015	Will Battle and Don Jansen	Douwe Egberts Foundation
6 January 2016	Jeroen Kroezen	Solidaridad NL
14 January 2016	Henk Gilhuis	UTZ
	Maya Sermeno	UTZ
	Rohit and Neelkant Pandhare	UTZ
	Wim Spieringhs	UTZ
	Esther Kruiper	Former Douwe Egberts Foundation
22 February 2016	Saji Kadavil	Solidaridad India

Field interviews in Sri Lanka

UTZ Sri Lanka Evaluation AGENDA 2016 (Group -1, Trude, Muthulingam, Dave)				**UTZ Sri Lanka Evaluation AGENDA 2016 (Group -2, Ben, Karthi, Amina)**			
Monday 18th January 2016				**Monday 18th January 2016**			
#	**Location**	**Time**	**Activity**	**#**	**Location**	**Time**	**Activity**
1	Colombo	7:00am	Travel to Kandy	1	Colombo	7:00am	Travel to Kandy
2	ISD office Kandy	10.00 to 11.00am	Meeting with ISD team	2	Kandy ISD office	10.00 to 11.00am	Meeting with ISD team
3	ISD office Kandy	11.00 am to 1.00pm	Reviewing progress of UTZ activity	3	ISD office Kandy	11.00 to 1.00pm	Reviewing all progress of UTZ activity.
4	Kandy	1.00 to 2.00pm	Lunch Break	4	Kandy	1.00 to2.00pm	Lunch break
5	ISD office Kandy	2.00am to 3.00pm	Reviewing all progress of UTZ activity. (Overnight Kandy)	5	ISD office Kandy	2.00 to 3.00pm	Reviewing all progress of UTZ activity.
Tuesday 19th January 2016				**Tuesday 19th January 2016**			
#	**Location**	**Time**	**Activity**	**#**	**Location**	**Time**	**Activity**
1	Kandy	8.30am	Leaving Kandy to Keppetipola	1	Kandy	8.00am	Leaving Kandy to Pedro estate
2	Keepitipola tea factory	10.30 to 11.30am	Meeting with factory manager and team	**2**	**Pedro estate**	**10.30am to 11.30pm**	**Meeting with the Regional Manager**
3	Departure to Bandarawela	11.30am		3	Pedro estate	11.30 to12.00 noon	Factory and Field visit
4	Bandarawella	12.30 to 1.30pm	Lunch break	4	Nuwaraeliya	12.00 to 1.00pm	Lunch break
5	Loonuwatte	1.30 to 3.30pm	Meeting with small holders group	5	Pedro estate	1.00 to 2.00pm	Meeting with the workers
6	Nuwaraeliya		Overnight Nuwara Eliya	**6**	**Nuwaraeliya estate**	**2.00 to 3.00pm**	**Meeting with the estate manager**

Wednesday 20th January 2016			
#	Location	Time	Activity
1	GM's Office Mahacoodu galla Maturata Plantations	9.00 to 11.00am	Meeting with the General Manager Maturata Plantations
2	Gonapitiya estate	12.00am to 1.30pm	Meeting with the estate manager
3	Gonapitiya Estate	1.30 to 2.30pm	Lunch break
4	Gonapitiya estate	2.30 to 3.30pm	Meeting with estate workers
5	Maha uva estate (Control group)	4.00 to 5.00pm	Meeting with the estate management and workers
6	Nuwaraeliya		Overnight Nuwara Eliya

Thursday 21st January 2016			
#	Location	Time	Activity
1	Highforest	9.00 to 10.00am	Meeting with the estate manager
2	Highforest	10.00 to 11.00am	Meeting with estate workers
3	**Ragalla estate**	**11.30am to 12.30pm**	**Meeting with the group manager**
4	Ragalla	12.30 to 1.30pm	Lunch break
5	Ragalla estate estate	1.30 to 3.30pm	Meeting with the estate workers
6	Nuwaraeliya		Overnight Nuwara Eliya

Friday 22nd January 2016 (Group 1 + Ben)			
#	Location	Time	Activity
1	**Courtlodge estate**	**9.00 to 10.00am**	**Meeting with the estate manager**
2	Courtlodge	10.30am to 12.30pm	Meeting with estate workers
3	Nuwaraeliya	1.00 to 2.00pm	Lunch break
4	Radella estate	2.30 to 3.30pm	Meeting with the estate manager

7	Nuwaraeliya estate	3.00 to5.30pm	Meeting with the estate workers
8	Nuwaraeliya		Overnight Nuwara Eliya

Wednesday 20th January 2016			
#	Location	Time	Activity
1	Liyangahawella	9.00 to 11.00am	Meeting with the small holders group
2	Liyangahawella	11.30am to 1.00pm	Meeting with the small holders control group
3		1.00 to 2.00pm	Lunch break
4	**Udaradella estate**	**3.00 pm to 4.30pm**	**Meeting with the estate manager**
5	Udaradella Estate	4.30pm to 5.30pm	Meeting with estate workers
6	Nuwaraeliya		Overnight Nuwara Eliya

Thursday 21st January 2016			
#	Location	Time	Activity
1	Leaving to K &B	8.00am	
2	K &B	10.00 to 11.00 am	Meeting with management
3	K & B	11.00 to 1.30 pm	meeting with workers
4		1.30 to 2.30pm	Lunch break
5	Liddesdale Estate	3.00 to 4.00pm	Meeting with the estate manager
6	Liddesdale estate	4.00pm to 5.30pm	Meeting with the estate workers

Friday 22nd January 2016			
#	Location	Time	Activity
	N/A	N/A	N/A

Saturday 23rd January 2016			

5	Radella estate	3.30 to 5.30pm	Meeting with the workers	**#**	**Location**	**Time**	**Activity**
5	Return to Kandy		Overnight Kandy		ISD office	9.00 to 11.00am	Meeting ISD
6					NF Kandy office	16.00 – 18.00	Debrief session entire evaluation team

Colombo interviews

Monday 25th January 2016					
#	**Location**	**Time**	**Activity**	**Company**	**Person to meet**
1	Thalawathu goda	10.15am	Meeting with the Tea Small Holders Development Authority	the Tea Small Holders Development Authority	Mr Neville Fernando
2	Nugegoda	12.15 pm	Meeting with Ethical Tea Partnership	Ethical Tea Partnership	Dushy Perera
3	Muthurajaw ela	3.30 pm	Meeting with Forbes & Walker	Forbes & Walker	Ishan Fernando/Suresh Mathangaweera
Tuesday 26th January 2016					
#	**Location**	**Time**	**Activity**		
1	Colombo	9.30am	Meeting with Kelanivalley Plantations	Kelani Valley Plantations (Hayleys)	Meeting with Roshan Rajadurai/MD or Mr Johanne Rodrigo/General Manager
2	Colombo	11.30am	Meeting with AsiaSiyaka	Asia Siyaka	Anil Cooke/CEO
3	Colombo	12.30 to 1.30pm	Lunch break		
4	Colombo	1.45pm	Meeting with Sri Lanka Standards Institution	SL Standards Institution	Ms Thisaru Marasinghe
5	Colombo	3.00pm	Meeting with John Keels	John Keells Holdings	Hishantha De Mel/Asst. Vice President + Head of Marketing
Wednesday 27th January 2016					
#	**Location**	**Time**	**Activity**		
1	Colombo	9.00 am	Meeting with The secretary Ministry of plantations	Min. of Plantation Industries	Secretary is overseas
2	Colombo	12.30 to 1.30pm	Lunch break		
3	Colombo	2.00pm	Meeting with Tea board	Sri Lanka Tea Board	Tea Commissioner, Jayantha Edirisinghe & Director General
4	Colombo	4.00pm	Meeting with Planters Association	President is Roshan Rajadurai.	Malinda Goonetilake - Secretary General - Planters Association
Thursday 28th January 2016					
#	**Location**	**Time**	**Activity**		
1	Colombo - Team 1	9.15 am	Meeting with Tea Exporters Association	Tea Exporters Association	Secretary General
2	Colombo - Team 1	10.00 am	Meeting with Anvar Ali	Anver Ally Tea	Sanjeev Goonewardane
3	Colombo - Team 2	11.30 am	Meeting with Tea Link	Tea Link	Managing Director
4	Colombo	12.30 to 1.30pm	Lunch break		
5	Colombo - Team 2	2.00 pm	Meeting with Heritage Teas	Heritage Teas	Director - Revanke De Silva
6	Colombo - Team 2	4.00pm	Meeting with Vanrees Ceylon Ltd	Van Rees Ceylon Ltd	Trevin De Silva

Friday 29th January 2016					
#	Location	Time	Activity		
1	Colombo	9.00 to 10.30 am	Preparation for Validation workshop		
2	Colombo	11.00 to 12.30	Validation Workshop		
3	Colombo	12.30 to 1.30pm	Lunch		
4	Colombo	2.00 to 4.30pm	Debriefing		

Annex 4. Essential Training List of UTZ Certification Programme

(For Factory and Garden)

No	Training title	Training content	Duration/ Time	Frequency of repeating	Target group	Resources	Means of training
1	UTZ orientation	Current trend of tea industry in Sri Lanka, introduction to certification, essentiality of the certification, introduction to involved organisation and their function, the role of certificate holder on implementation of certification, role of UTZ implementation (internal control system) team.	3 hour	One session per each group (factory, field)	All factory and field workers including staff and management Small growers	ISD	Power Point and magi boards
2	UTZ protocol training	Introduction to all UTZ certification documentation such as protocol, code, internal control system manual, logo use requirement, traceability procedure. Explanation of the certification procedure based on the protocol.	2 hour	Yearly	UTZ implementation team of the factory (factory and field representatives or staff and representatives from small growers)	ISD	PowerPoint magi boards and text materials
3	UTZ code of conduct training (factory)	UTZ factory code of conduct.	4 -5 hour	Yearly	Representatives from factory responsible for overall implementation of control points	ISD	PowerPoint magi boards and text materials (factory code)

No	Training title	Training content	Duration/ Time	Frequency of repeating	Target group	Resources	Means of training
4	UTZ code of conduct training (field/garden)	UTZ field code of conduct.	4-5 hour	Yearly	Representatives from field responsible for overall implementation certification. And separate training for small growers (internal control system team and lead farmers)	ISD	PowerPoint magi boards and text materials (field code)
5	Health and occupational safety training content	To conduct worker health and safety risk assessment of the production and/or processing units (field and factory). All workers involved in processing operations of tea are trained properly on technical and hygienic aspects. Risk assessment in the field and the factory is expected to take place. Based on the risk assessment workers/group members receive an adequate training on healthy and safe practices.	1 day	Yearly	Selected key workers from field (estate) as well as from factory, also staff from field and factory and lead farmers from outgrowers from internal control system (if applicable)	Outsourced (qualified resource persons)	Magi board, PowerPoint and demon-strations
6	First aid training	Training on Basic first aid training • Acting procedure when emergency • Emergency preparedness plan and monitoring	5 hours	Yearly	Selected key workers in the central processing unit, garden and small growers (outgrowers)	St John's ambulance	Leaflets and practicals

No	Training title	Training content	Duration/ Time	Frequency of repeating	Target group	Resources	Means of training
7	Internal control system management training (if applicable)	• Internal control system management system • The role of internal control system team • The role of internal control system members • Internal control system documentation	3 hours	Yearly			
8	Fire drill	Demonstration and practicals for the participants	3 hours	Yearly	Field and factory staff	Fire department	
9	Education on basic workers' rights	A basic knowledge on rights of the workers	2 hours		Field and factory staff	ISD resource person	Session
10	Awareness raising, meetings and ongoing training for education, hygiene, nutrition and other issues	Awareness on educational rights, on good hygiene and nutrition practices for workers' families and children are expected to be discussed in the certification process.		On going	Field, factory and smallholders	ISD resource person and resources from outside	Discussions and training
11	Awareness on HIV/AIDS prevention	Awareness on HIV/AIDS and on other STDs are to be discussed with the field, factory and with smallholders.				Resources from outside	Discussion with distribution of leaflets/ drama
12	Factory manufacturing, quality improvements training (GMP) and food safety management system	Hands-on training for the correct use of machines and good manufacturing practices. Maintenance of quality the product with safety of the food	Two days		Factory staff and workers	Resources from outside (Tea Research Institute and other sources)	Lectures and practical demon-strations

No	Training title	Training content	Duration/ Time	Frequency of repeating	Target group	Resources	Means of training
13	Field GAP training including IPM techniques and good harvesting procedure as well good post harvest operation	Good agricultural practices in harvesting and IPM techniques. Quality checking for green leaves	Two days		Field supervisors and pluckers	Resources from outside (Tea Research Institute and other sources)	Practical demon-strations
14	Workers' rights	Awareness on Employees' Provident Fund/Employees' Trust Fund/maternity benefits/service gratuity	Two days	On-going	Worker leaders	Department of labour	Lecture
15	Gender	Awareness on gender	Two days	On-going	Workers	Gender specialists	Lecture/ practical /view collection

End of report.