BUILDING A SUSTAINABLE FUTURE

Environmental and economic sustainability:
a practical guide

tearfund

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Environmental and economic sustainability: a practical guide

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Designed by Wingfinger

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Tearfund is a Christian relief and development agency working with partners and local churches to bring whole-life transformation to the poorest communities.

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1 INTRODUCTION

1.1 What is environmental and economic sustainability (EES)?

Environmental degradation is increasing at an alarming rate, and it is the poorest people in our world who are being most affected by it – those who have done the least to cause it. Harmful patterns of consumption and waste, driven by business, are fuelling the crisis, putting pressure on the world's natural resources.

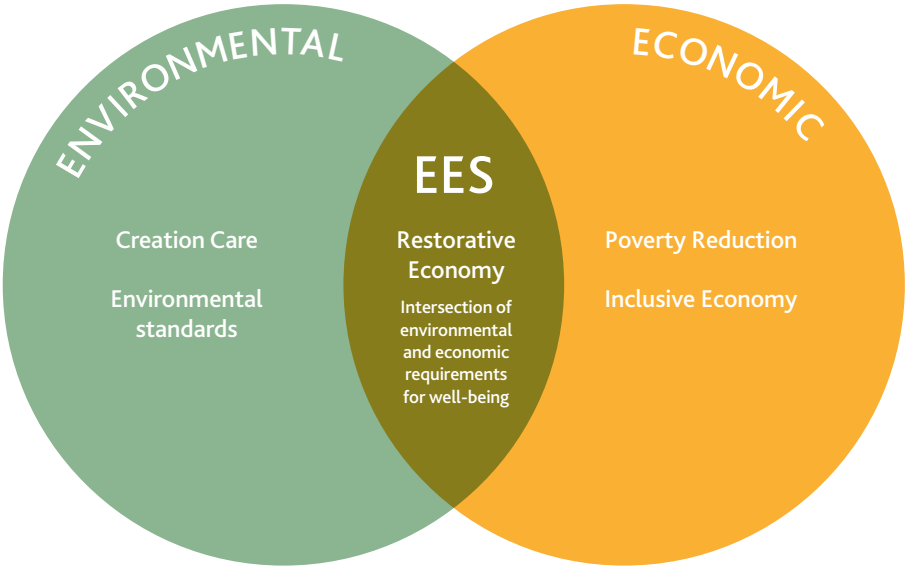
In 2015 Tearfund published *The restorative economy*[1] setting out our vision for a sustainable global economy in which extreme poverty is ended, the balance in creation is restored and inequality between rich and poor is reduced. To implement this vision in our programmatic and advocacy work, Environmental and Economic Sustainability (EES) was adopted as one of three corporate priorities.

Tearfund recognises that climate change, the environment and people's livelihoods are closely connected. We have seen how environmental degradation, conflict and climate-related shocks increase food insecurity and hunger, and threaten progress with development.

Our response is to promote environmental and economic sustainability (EES). **EES is about working towards a world where extreme inequality is reduced and where everyone can meet their basic needs – and flourish – within their environmental limit.**

EES has a wide range of elements. Some relate more to the environment, while others relate more to economic well-being (see figure 1 below). However, they are all closely intertwined and can affect each other positively or negatively. **Poverty reduction must hold the environment and the economy in balance**, recognising that a broken and harmful environment will have a negative impact on people's health, livelihoods and productivity.

Figure 1 Elements of EES



1 https://learn.tearfund.org/~/media/files/tilz/research/tearfund_therestorativeeconomy.pdf

Figure 2 EES Theory of Change

1.2 Tearfund's approach to EES

Tearfund is committed to relief and development work that is both environmentally and economically sustainable and reduces exposure and vulnerability to risk. We believe that policies and practices must enable livelihood and wealth generation *without* compromising the environment.

We address EES through taking action at community, national and global levels, focusing on the poorest and most vulnerable people. Working with our partner organisations we combine project, policy and advocacy work in order to achieve three end goals:

1. **Everyone can meet their basic needs**
2. **The world lives within environmental limits**
3. **Extreme inequality is no longer accepted**

Tearfund's approach to and vision for EES is illustrated in figure 2 (page 4). Figure 2 shows that it takes a combined effort of advocacy, policy, movement-building, livelihoods and agriculture work to tackle environmental and economic challenges at the same time.

1.3 What is this guide for?

This guide has been written to help project and field staff, Tearfund partners and churches to:

- Design and evaluate new projects, programmes and strategies with a specific focus on EES
- Integrate EES into existing projects, programmes and strategies.

Specifically, the guide will help users with:

- Carrying out a baseline assessment related to EES
- Identifying project/programme outputs and outcomes
- Elaborating detailed activities
- Designing an M&E plan
- Evaluating the impact at the end of the project/programme.

This guide should be used in connection with project cycle management and other methods and approaches for working with churches and communities, such as self-help groups (SHGs) and church and community mobilisation (CCM). This guide can also help advocacy and policy teams to join forces with community-based project teams in order to achieve the same EES end goals. We are aware that this guide is based on a stable development context. We are planning to look at how EES applies in a humanitarian and fragile states context, connecting with Core Humanitarian Standards.

1.4 How to use this guide

In this guide we describe five **long-term outcomes** that a project should be working towards in order to achieve a balanced environmental and economic sustainability. We also introduce ten 'design principles'. These help project staff **plan specific activities**, and monitor and evaluate progress throughout the project cycle to achieve the long-term outcomes.

In section 3 we present a grading scale and set of indicators with each of the ten design principles. These help project staff to establish a project baseline, plan activities, set targets and monitor progress towards achieving these goals.

Throughout section 3, we will also highlight how each one of the ten EES design principles connects with some of the frameworks readers are already using.

- We show how each design principle is linked to the UN Sustainable Development Goals (SGDs). For more information see appendix 2.
- We have included references that indicate how each design principle relates to Tearfund's Quality Standards, if you are also required to follow them. Tearfund aims to work to the highest possible standards with integrity and transparency. We have identified a set of corporate Quality Standards in support of our vision and the delivery of our strategy, which are in keeping with the organisational characteristics we aspire to and which summarise all of the relevant external and internal accountability and Quality Standards, codes, guidelines and principles to which we are committed. For more information see appendix 3.
- We demonstrate the overlap between EES long-term outcomes and the LIGHT Wheel tool[2] that Tearfund uses to measure flourishing individuals and communities. We thereby show how EES plays a role in bringing whole-life transformation to the communities we serve. The LIGHT Wheel was developed by Tearfund's Impact and Effectiveness team, influenced by the University of Bath's (UK) work on well-being. It provides a framework with nine different domains, which forms our definition of well-being and whole-life transformation. Each domain, represented as the nine 'spokes' of the Wheel, represents one aspect of what it means to flourish and be resilient. For more information see appendix 4.

In appendix 1 there are examples of how this guide was used in Tanzania and Pakistan.

2 Tearfund (2016) *An introductory guide to the LIGHT Wheel toolkit.* learn.tearfund.org/lightwheel

2 THE LONG-TERM OUTCOMES AND PRINCIPLES OF ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY

2.1 Long-term outcomes

In this section we introduce five 'long-term outcomes' of EES. These are based on care of God's creation along with holistic human development, and the three EES end goals that came out of Tearfund's restorative economy research.[3] They can be viewed as the long-term outcomes that a project, programme or strategy should be working towards in order to meet the three end goals of EES (see figure 2: EES Theory of Change). Some of the five outcomes relate more to the environment, while others relate more to the economy.

They are:

1. **Sustainable resource management:** Economic systems protect or restore the environment, contributing to people's well-being. Decision-making relating to short-term gain does not compromise the future of the environment.
2. **Socio-ecological balance:** Sustainable and productive livelihoods are underpinned by a healthy environment. The environment is valued for its economic value as well as its cultural and ecological value.
3. **Equality and participation:** People have equal access to public goods, services and infrastructure (such as transport, education, clean air and water). All of society, especially poor people, are able to improve their lives and living standards. People are able to participate fully in all aspects of the economy.
4. **Growth:** The economy is working for the good of all (especially poor people), increasing work opportunities, incomes and general well-being. Economic output is not only measured by GDP, but also by other outcomes that capture overall well-being.
5. **Stability:** All of society is confident about the future and can invest in it. The economy is increasingly resilient to shocks and stresses.

All of these five long-term outcomes should be used to inform project design, monitoring and evaluation.

2.2 Design principles

From the five long-term outcomes we have drawn out ten 'design principles'. **These design principles help project staff plan concrete activities to achieve the long-term outcomes, as well as monitor progress and evaluate impact**. They cover both environmental sustainability and economic sustainability, and apply to all aspects of an EES project or programme, including advocacy, policy and community-based activities. See figure 3 to see how the design principles are clustered beneath the long-term outcomes.

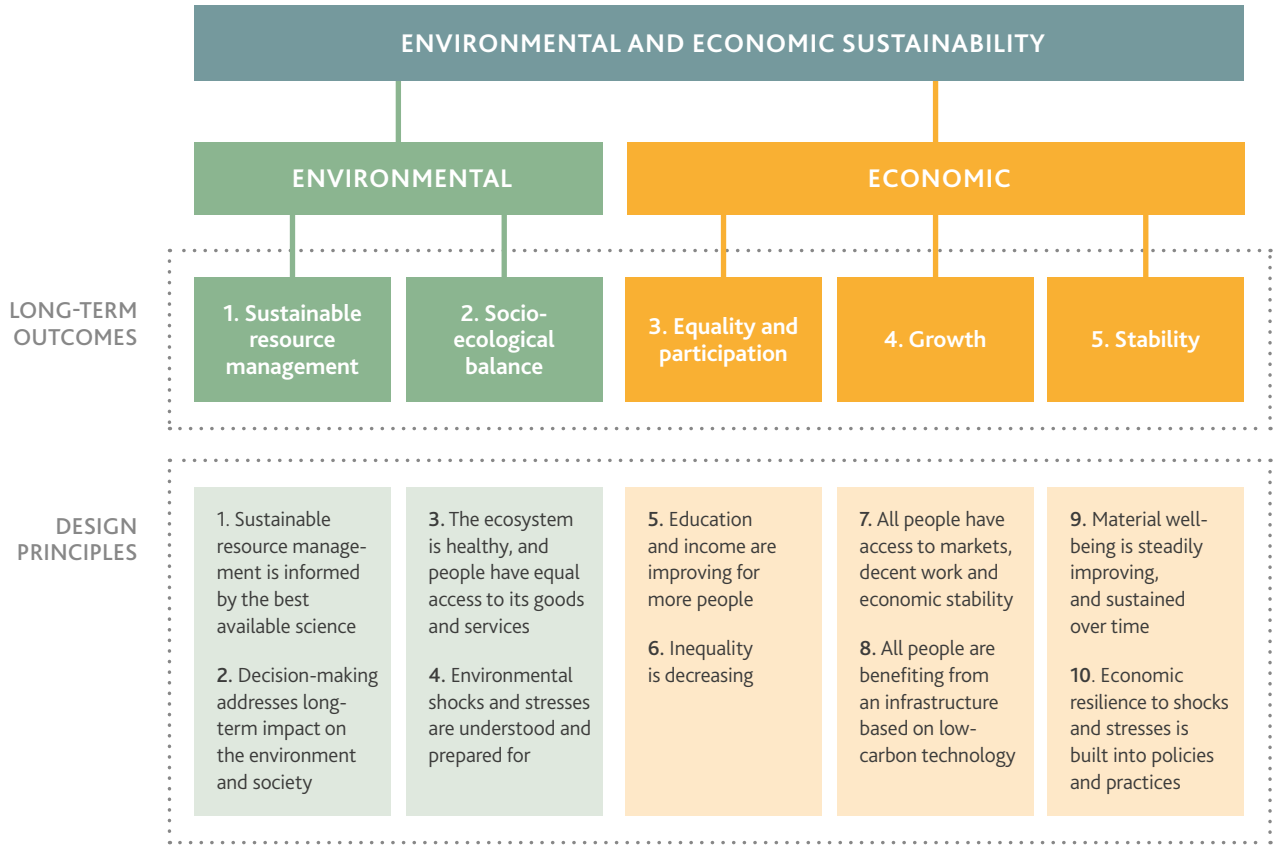
3 http://learn.tearfund.org/~/media/files/tilz/research/tearfund_therestorativeeconomy_summary.pdf

The design principles are:

1. **Sustainable resource management is informed by the best available science.**
2. **Decision-making addresses long-term impact on the environment and society.**
3. **The ecosystem is healthy, and people have equal access to its goods and services.**
4. **Environmental shocks and stresses are understood and prepared for.**
5. **Education and income are improving for more people.**
6. **Inequality is decreasing.**
7. **All people have access to markets, decent work and economic stability.**
8. **All people are benefiting from an infrastructure based on low-carbon technology.**
9. **Material well-being is steadily improving, and sustained over time.**
10. **Economic resilience to shocks and stresses is built into policies and practices.**

Figure 3 shows how the ten design principles contribute towards the five long-term outcomes.

Figure 3 Principles of EES



As shown in figure 3, design principles 1, 2, 3 and 4 relate more to the environment and design principles 5, 6, 7, 8, 9 and 10 relate more to the economy. The design principles provide a general guide for EES strategy and programming, rather than a set of specific activities, so they can be interpreted and applied differently in different contexts and situations.

There is no hierarchy within the design principles: they are all important. However, it might not be possible to address all ten in a project design, so a few should be chosen to focus on. When making a selection **it is important to choose some principles that relate to the environment and some that relate to the economy, to achieve a balance.**

We do advise that all ten principles are at least considered when carrying out a context analysis or baseline survey: this will help with analysing a project's strengths and weaknesses, opportunities and threats (SWOT).

2.3 How to use the grading scale for each design principle

We have designed a grading scale (from 1 to 5) that can be used to help determine what stage a community (or wider population) is at in relation to each of the ten design principles:

1 = Very bad

2 = Deteriorating

3 = Stabilised

4 = Improved

5 = Significantly improved

Number 3 – stability – is the mid position from which a particular situation is either improving (numbers 4 and 5) or worsening (numbers 1 and 2). Activities undertaken in a number 1 or 2 context may not be able to reverse environmental or economic degradation immediately but could help in stopping the decline. In these cases, the objective would be stabilisation (3/5). Further progress can then be made from this point.

We provide a detailed grading scale for each of the ten design principles (see section 3). These give a summary of how a community or wider population would look when graded: 1, 2, 3, 4 or 5. In section 3 we also provide a set of indicators (qualitative and/or quantitative) or evidence sources. These can be used to help work out the position of a community or wider population on the grading scale.

Please note that it is not possible for this guide to cover all the contexts people are working in. Therefore it is important that project staff adapt the indicators to fit their own context, and use their own judgement when putting an absolute value on an indicator, thinking through how this may affect the grading.

Project staff can use the design principles, grading scales and indicators to determine a project or programme's baseline, design targets and activities, monitor progress and evaluate impact. Figure 4 illustrates how to use the principles, grading scales and indicators together to inform project design and achieve goals.

Figure 4 How this guide is used through the project cycle

Project cycle stage	How to use this guide
1. Context analysis	Use the ten design principles to determine the greatest need and where there is most potential for a solution *Use the grading scale and indicators associated with each design principle as detailed in section 3 to carry out a baseline assessment and identify gaps*
2. Design	Based on your analysis above, determine where you are able to make the most difference *Use the grading scale result of the context analysis and indicators to design project activities, outputs and short-term outcomes related to the design principles*
3. Set-up	Look at the project design and think through the resources, skills, knowledge and people required to make the project work
4. Planning	Plan how you will monitor the project by selecting the most relevant indicators in this guide
5. Implementation and monitoring	Take a baseline using the result of context analysis and the indicators used Monitor your project progress using the selected principles, indicators and outcomes
6. Evaluation and learning	Evaluate the situation at the end of the project, using the selected principles, indicators and outcomes
7. Closure	Celebrate the achievement, and look again at the areas you could not cover at the beginning of the project to see if the situation has changed and if there are things can be done now

See appendix 1 to see how the design principles and grading scales were used to make an EES baseline assessment in Tanzania and a preliminary EES assessment of an ongoing project in Pakistan.

3 PUTTING THE PRINCIPLES INTO PRACTICE

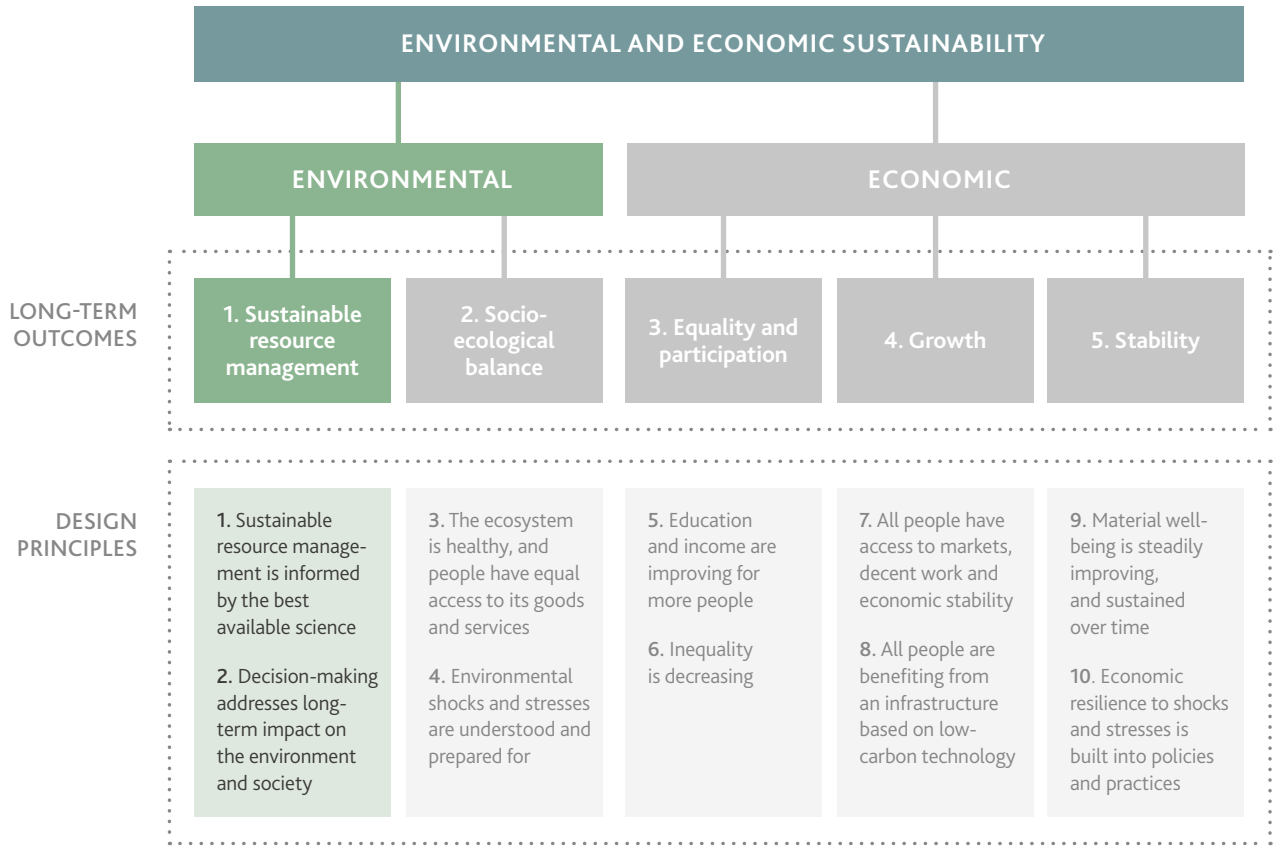
In this section we present each long-term outcome along with its two related design principles. Each design principle is briefly described, and the relevant grading scale and set of indicators (see section 2.3) are given beneath it. We also show how each design principle is linked to the Sustainable Development Goals, Tearfund Quality Standards and Tearfund's LIGHT Wheel.

ENVIRONMENTAL LONG-TERM OUTCOME

3.1 Sustainable resource management

Economic systems protect or restore the environment, which is the foundation for safe living and productive livelihoods.

There are two design principles related to this long-term outcome, as illustrated below:



An E-guard (environment guard) from a waste management project in Pakistan collects household waste.
Photo: Hazel Thompson/Tearfund

DESIGN PRINCIPLE

1. Sustainable resource management is informed by the best available science

When a decision needs to be made about the environment, all relevant and available science and local knowledge are researched and considered.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 1, and to design project activities and targets, and monitor progress:

1 **Very bad.** No science and local knowledge related to the environment are used within decision-making.

2 **Deteriorating.** Science and local knowledge are not systematically used within decision-making.

3 **Stabilised.** Decisions are informed by science and local knowledge about the need to protect the environment.

4 **Improved.** Decisions are *guided* by science and local knowledge about the need to protect and restore the environment.

5 **Significantly improved.** Decisions are governed by the best available science as well as local knowledge and local participation, in order to enhance and restore the environment for current and future generations.

Indicators or evidence sources

The following indicators or evidence sources can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Number of science and local knowledge sources used
- Number of types of science and local knowledge sources used
- Number of scientific findings, local knowledge and lessons learnt from previous, ongoing or planned assessments

You might also want to consider:

- What process is used to analyse scientific information and local knowledge
- Who is included in this analysis

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

Connections with Tearfund's LIGHT Wheel

DESIGN PRINCIPLE

2. Decision-making addresses long-term impact on the environment and society

There is full consideration of how environmental and economic choices affect society at all levels.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 2, and to design project activities and targets, and monitor progress:

1 **Very bad.** Decisions are not informed by science and local knowledge, and have resulted in significant degradation of environmental conditions and contributed towards poverty traps. No consideration is given to the negative consequences of actions. There is no legal enforcement to check decision-making.

2 **Deteriorating.** Decisions are not informed by science and local knowledge. There is some action to include stakeholders in the decision-making process but procedures are easily manipulated by elites. There is little accountability for protecting and restoring environmental conditions. Legal enforcement rarely checks decision-making.

3 **Stabilised.** Decisions are informed by science and local knowledge and there is some effort to address the protection and restoration of environmental conditions. Decision-making is aware of long-term impact on the environment. There are limited legal enforcement checks on decision-making.

4 **Improved.** Decisions are guided by scientific understanding, and decisions are helping to improve use of natural resources. Environmental resource use is considered in light of the needs of current and future generations.

5 **Significantly improved.** Decisions are governed by the best available science as well as local knowledge and participation. Significant action is being taken to restore environmental damage and increase resilience at the local level. There is high accountability for actions taken in the context of future impact.

Indicators or evidence sources

The following indicators or evidence sources can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Levels of GDP generated at the cost of domestic use of natural resources
- Solar power as a percentage of energy used at national, state and local level
- Wind power as a percentage of energy used at national, state and local level
- Small-scale hydropower as a percentage of energy used at national, state and local level
- Waste management practices of government at national, state and local level
- Numbers and types of environmental governance legislations in place and enforced
- Number of previous, ongoing or planned Environmental Assessments carried out

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

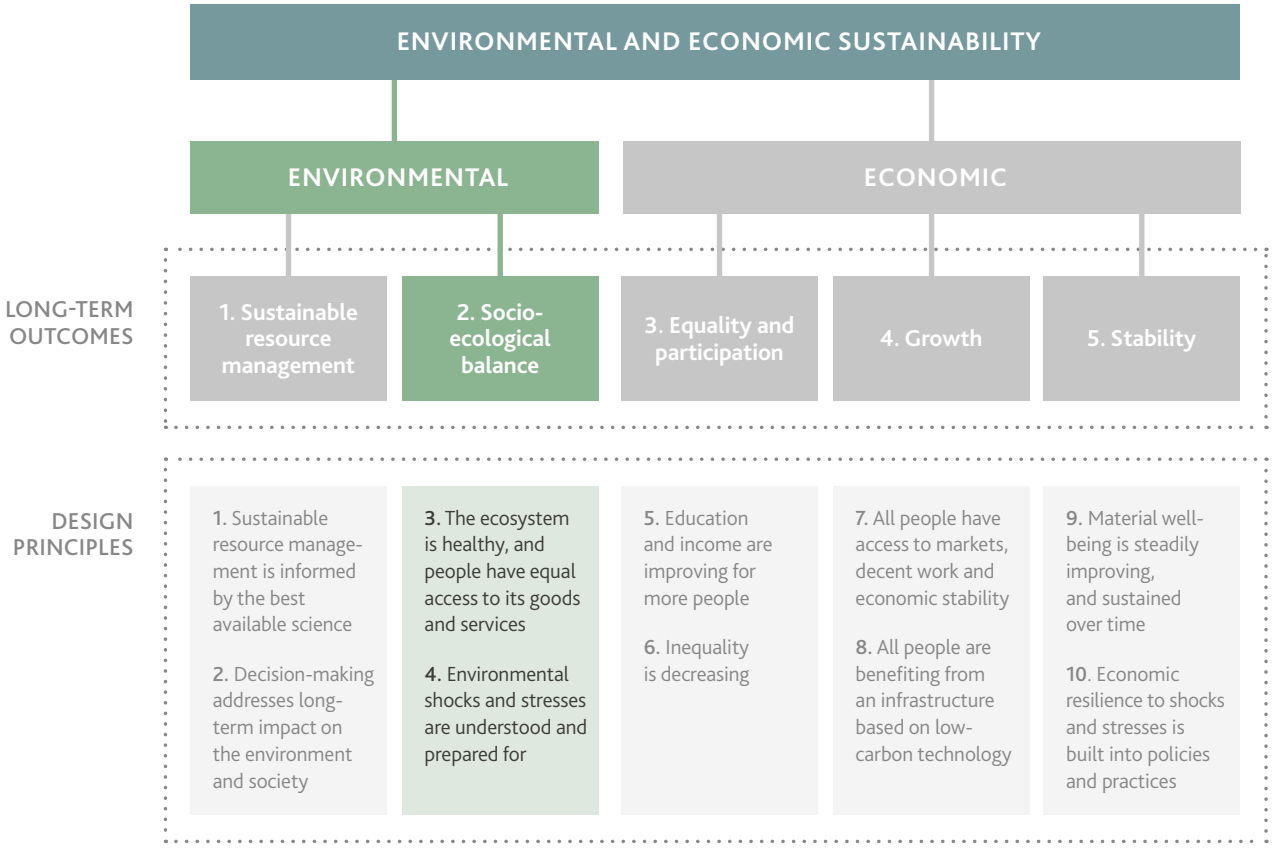
Connections with Tearfund's LIGHT Wheel

ENVIRONMENTAL LONG-TERM OUTCOME

3.2 Socio-ecological balance

Sustainable and productive livelihoods are underpinned by a healthy environment. The environment is valued for the economic, natural, social and cultural benefits it can provide.

There are two design principles related to this long-term outcome, as illustrated below:



DESIGN PRINCIPLE

3. The ecosystem is healthy, and people have equal access to its goods and services

The eco-system is used sustainably and people have equal access to food, water, fuels, recycling, soil etc.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 3, and to design project activities and targets, and monitor progress:

1 **Very bad.** Ecosystem goods and services are irreversibly degraded, having a negative impact on poor and vulnerable people. Productivity is seriously reduced.

2 **Deteriorating.** Ecosystem goods and services are damaged and people do not have equal access to them, and the impact of degradation is not shared equally between rich and poor people. Productivity is being reduced.

3 **Stabilised.** Ecosystem goods and services are meeting the needs of communities under normal environmental conditions, but it is likely that privileged people are benefiting the most. Productivity remains stable.

4 **Improved.** The productivity of ecosystem goods and services has been restored, and access to them is more equal. Productivity is improving.

5 **Significantly improved.** The productivity of ecosystem goods and services has been restored and potentially increased. Access to them is equal with increased benefit for vulnerable people.

Indicators or evidence sources

The following indicators or evidence sources can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and monitor progress.

- Number or percentage of the population directly relying on the ecosystem for livelihoods
- Number or percentage of households believing they have access to sufficient natural resources (water, land, pasture, woods, forests etc)
- Number or percentage of households believing their children will have access to sufficient natural resources to meet their future needs
- Number or percentage of households reporting tension within the community over access to natural resources
- Number or percentage of households believing that access to natural resources is managed fairly
- Number or percentage of households that have taken action, within the last year, to make more effective use of water
- Number or percentage of households that have taken action, within the last year, to reduce soil erosion
- Number or percentage of households cooking on wood, charcoal or dung
- Proportion of total water resource used (as a percentage, if known)
- Proportion of waste water safely treated (if known)
- Number or percentage of households drawing drinking water from a safe and clean source
- Soil condition (eg productivity level, topsoil loss, nutrition level)
- Soil usage (eg who is using it and how)
- Recent trends in rainfall compared with historical models/averages
- Fresh water condition (eg source type, quality and quantity)
- Groundwater use (number of wells less than 10m deep per km^2 and number of borehole abstraction points deeper than 10m per km^2)
- Fuelwood use (types and distance)
- Vegetation type
- Total number of known animal species (density)
- Richness of animal species (diversity)
- Native animal and native plant species (those found only in one particular location)
- Traditional bush meat species; fuelwood species; and calorie food source (list)

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

Impartiality and targeting

Accountability

Gender

Empowerment

Resilience

Protection

Technical quality

Connections with Tearfund's LIGHT Wheel

DOMAIN

Stewardship of the environment

Material assets and resources

Living faith

CONTEXT

Environment

Services

Economy

DESIGN PRINCIPLE

4. Environmental shocks and stresses are understood and prepared for

People understand climate- and environment-related disasters. Preparedness, response and recovery systems and processes are in place.

The grading scale

The following grading scale can be used to decide what stage a community has reached in relation to design principle 4, and to design project activities and targets, and monitor progress:

1 **Very bad.** The community are completely overwhelmed by environmental shocks and stresses. There are no early warning or response/management systems in place.

2 **Deteriorating.** Environmental shocks and stresses reduce the community's capacity to cope. Early warning systems are limited and management systems are lacking.

3 **Stabilised.** The frequency and magnitude of shocks and stresses are understood but outside help is needed with response and management.

4 **Improved.** Shocks and stresses are categorised and classified, and there is sufficient capacity to manage minor or isolated events.

5 **Significantly improved.** Shocks and stresses are categorised and classified, and there is good response and management capacity at many levels. Vulnerable people are cared for.

Indicators or evidence sources

The following indicators or evidence sources can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Frequency of natural hazards (count)
- Magnitude of significant natural hazards
- Response time for emergency response services – from initial call
- Number of communities that have community-level disaster preparedness plans in place
- Percentage of people, disaggregated by gender and age group, who are aware of the key risks from climate change and environmental degradation
- Number of the population vulnerable to hazards
- Percentage of the population vulnerable to hazards
- Percentage of the population facing increased vulnerability to hazards
- Local government spending on disaster risk reduction (DRR) and response

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

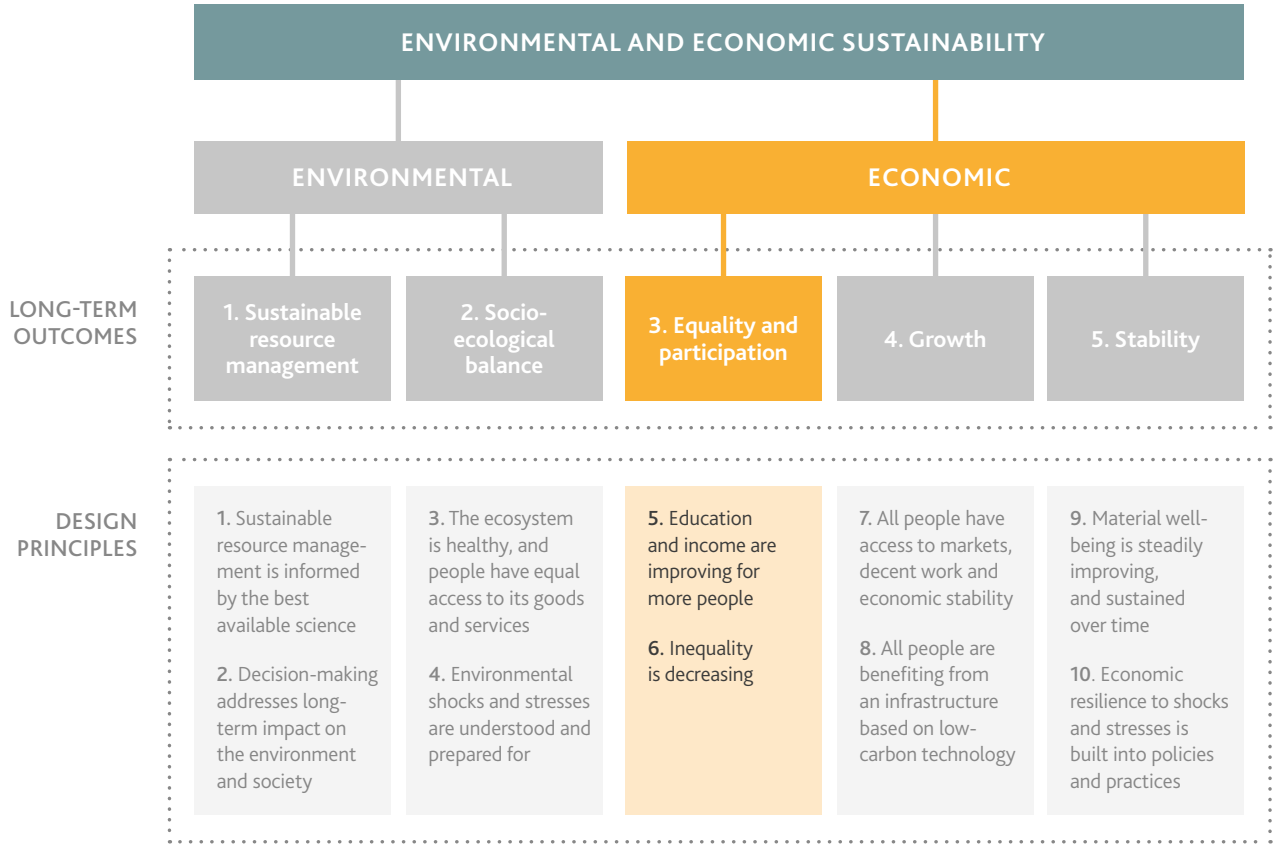
Connections with Tearfund's LIGHT Wheel

ECONOMIC LONG-TERM OUTCOME

3.3 Equality and participation

Inequality is declining rather than increasing. People, especially poor and disadvantaged people, are able to participate fully in all aspects of the economy and improve their education, income and position in society.

There are two design principles related to this long-term outcome, as illustrated below:



DESIGN PRINCIPLE

5. Education and income are improving for more people

People's level of education, income and social position have improved in comparison with their parents' or grandparents'.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 5, and to design project activities and targets, and monitor progress:

1 **Very bad.** An increasing number of people are unable to improve their lives, and well-being is declining.

2 **Deteriorating.** A significant proportion of the community are unable to improve their lives, and despite their efforts they are worse off.

3 **Stabilised.** An increasing number of people are improving their livelihoods and well-being.

4 **Improved.** There is an upward trend in people improving their situation although a significant proportion are still excluded (more than 40 per cent). Vulnerable people are being assisted.

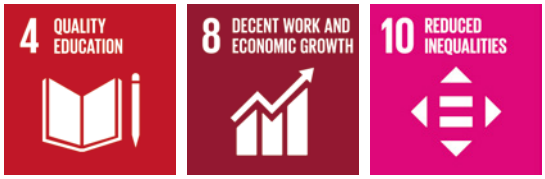
5 **Significantly improved.** Everyone can participate in economic life and well-being is increasing for many people. There is clear evidence of social protection.

Indicators

The following indicators can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Percentage of children per household aged between 6 and 13 who currently attend primary school
- Percentage of people per household aged between 14 and 21 who are currently in education
- Percentage of population who have achieved a higher education than their parents
- Percentage of people aged over 14 in a household who have gained skills or expertise in the last year that have enabled them to get or increase an income
- Percentage of people aged over 18 in a household who are 'functionally literate' (defined as being able to sign their name, perform simple calculations, use a mobile phone, help their children with homework and complete an official document or form)
- Percentage of the lowest-earning 25- to 35-year-olds who experience increased wages ten years later
- The average number of years of education completed per person per household for those aged 18 and upwards
- Percentage of people aged over 18 who earn more than their parents' generation (calculate men and women separately)

Connections with Sustainable Development Goals



Connections with Tearfund Quality Standards

Connections with Tearfund's LIGHT Wheel

DESIGN PRINCIPLE

6. Inequality is decreasing

The income gap between rich and poor people is reducing. Other inequalities – such as gender inequality – are decreasing.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 6, and to design project activities and targets, and monitor progress:

1 **Very bad.** Inequality is generally increasing at many levels (household, local, regional, national etc).

2 **Deteriorating.** Inequality is increasing for a significant proportion of the population in comparison with a set time in the past.

3 **Stabilised.** Indicators of inequality are stable (1–5 years).

4 **Improved.** Inequality is declining for a significant proportion of the population in comparison with a set time in the past. Many people now have an opportunity to improve their situation, whereas previously they did not.

5 **Significantly improved.** Inequality has declined over a long period of time (1–5 years). People have equal access to a stable economy including goods, services and infrastructure.

Indicators

The following indicators can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Ratio of income/consumption of the highest-earning group to the lowest-earning group

- Percentage of households that own at least one of the following assets: radio, TV, telephone, bike, motorbike or fridge – and do not own a car or tractor
- Percentage of households that own at least one of the following assets: cattle, goats, sheep, pigs or poultry
- Percentage of households whose houses have floors made of dirt, sand or dung
- Percentage of households whose houses have roofs made of corrugated iron, concrete or tiles
- Percentage of households with incomes below 50 per cent of average income (specify if the average is national or local)
- Wealth share of the top one per cent
- Percentage of pregnant women with access to adequate health provision
- Percentage of women who had secondary education and above
- Percentage of women having paid work
- The ratio of girls to boys per household aged between 6 and 13 who currently attend primary school
- The ratio of girls to boys per household aged between 14 and 21 who are currently in education

Practical design suggestions

Ensure that the poorest and most vulnerable groups are involved in programme design and implementation. A stakeholder analysis and participatory needs assessment should be carried out before programme design starts, ensuring that women and other marginalised groups are included. Provide ongoing opportunities for feedback.

A lady from Tanzania is sewing products for sale. A newly installed solar light (top right corner) allows her to work in the evening as well. Photo: Sarah Edwards/Tearfund

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

Impartiality and targeting

Gender

Empowerment

Protection

Connections with Tearfund's LIGHT Wheel

DOMAIN

Personal Relationships

Emotional and mental health

Physical health

Participation and influence

Material assets and resources

Capabilities

Social connections

CONTEXT

Society

Politics

Services

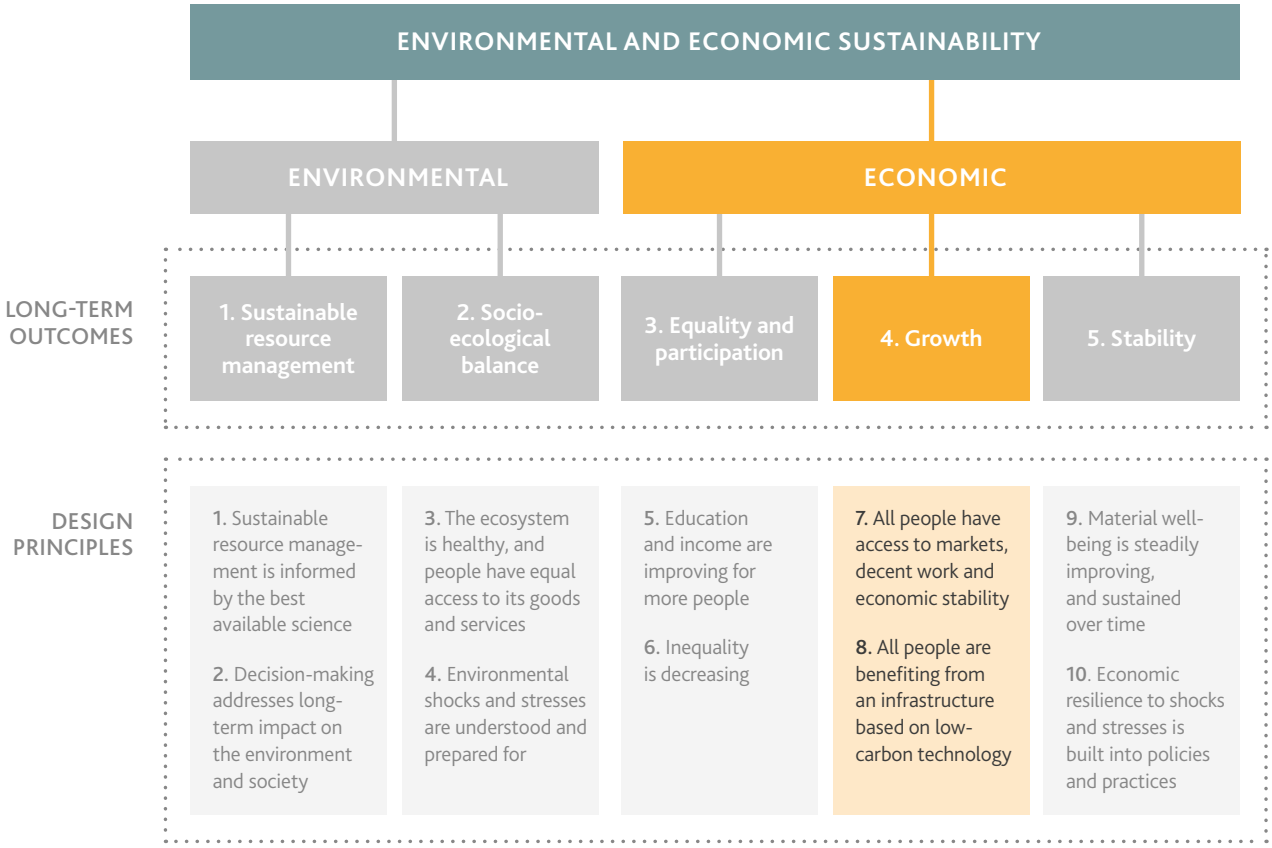
Economy

ECONOMIC LONG-TERM OUTCOME

3.4 Growth

The economy is working for the good of all (especially poor and excluded people), increasing work opportunities, incomes and general well-being. Technology is more widely distributed.

There are two design principles related to this long-term outcome, as illustrated below:



DESIGN PRINCIPLE

7. All people have access to markets, decent work and economic stability

Men and women, people with disabilities, youth, older people and people from all backgrounds have access to a functioning market and can freely be workers, consumers or business owners as they wish.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 7, and to design project activities and targets, and monitor progress:

1 **Very bad.** The economy is in a fragile or dangerous position. There are frequent job losses, failing businesses, very few work opportunities and high unemployment, especially among vulnerable and marginalised groups.

2 **Deteriorating.** The economy is in decline. There are some job losses, few work opportunities and under-employment. A privileged elite shape or control economic systems.

3 **Stabilised.** The economy is growing slowly. Job and business opportunities are available and incomes are increasing for some people. A larger proportion of the population can participate in economic activity.

4 **Improved.** The economy is improving enough to increase economic stability. Good job and work opportunities are growing and incomes are increasing, with special provision for poor people. Economic systems are fairer.

5 **Significantly improved.** The economy is growing steadily and production is sustainable. Incomes are increasing for everyone including poor people. Economic systems are fair and are transforming and stabilising for everyone's benefit.

Indicators

The following indicators can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress. (Please check specific indicators used for SDG 8 for reference.)

- Has the median income increased or decreased in the last month, quarter or 12 months?
- Has the percentage of people living above/below median income increased or decreased?
- The types of market available and the strength of the market
- The distance between the community and a functioning market
- Percentage of working-age men and women in formal employment
- Percentage of working-age men and women in informal employment
- Level of personal expenditure versus income per month
- Number of newly registered businesses annually per 1,000 people aged 15–64
- Number of jobs available in comparison to last month, last quarter or 12 months (specify)
- Percentage of working-age population in employment
- Percentage of working people reporting they are satisfied with their jobs
- Percentage of the population living below 1.25 USD in comparison with last month, last quarter or 12 months (specify)
- Types of information and data available about markets
- How this information and data is shared
- Who produces the information and data
- Who owns the information and data
- Who has access to the information and data
- How people access the information and data

Practical design suggestions

Carry out market assessments to better understand market conditions and potential. Tools to use include value chain analysis and labour market assessment. Ensure that a gender analysis is done to better understand barriers to women/youth participating in markets or accessing jobs.

As part of programme design it is important to map the wider services and inputs that affect business development. Tools to use include market mapping/value chain analysis. The programme can try to address specific market failures, or link with policy and advocacy work to address constraints.

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

Connections with Tearfund's LIGHT Wheel

DESIGN PRINCIPLE

8. All people are benefiting from an infrastructure based on low-carbon technology

People have access to sustainable technology infrastructure and are benefiting from it.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 8, and to design project activities and targets, and monitor progress:

1 **Very bad.** Technology is absent or is an economic burden on the community. No action is being taken to use or develop low-carbon technology.

2 **Deteriorating.** A few people have access to economically productive technology. Technology is limited to one or two items (such as a mobile phone) but the community is generally isolated from new or low-carbon technology.

3 **Stabilised.** Technology is welcomed but not widely distributed in the community. It is likely that those who have access to it experience greater well-being. Some technology is low-carbon.

4 **Improved.** Technology is more widely distributed and promotes greater individual and community well-being, as well as economic growth. Use of low-carbon technology is increasing.

5 **Significantly improved.** Technology is driving new economic growth and providing new opportunities for many sections of society. There is wide use of low-carbon technology, with plans to develop it further.

Indicators

These indicators can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Percentage of radio access
- Percentage of television set access
- Percentage of mobile phone access
- Percentage of internet access
- Percentage of households adopting new technologies such as solar, wind power, biogas digesters, small-scale hydro etc
- Percentage of population using technology to generate jobs

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

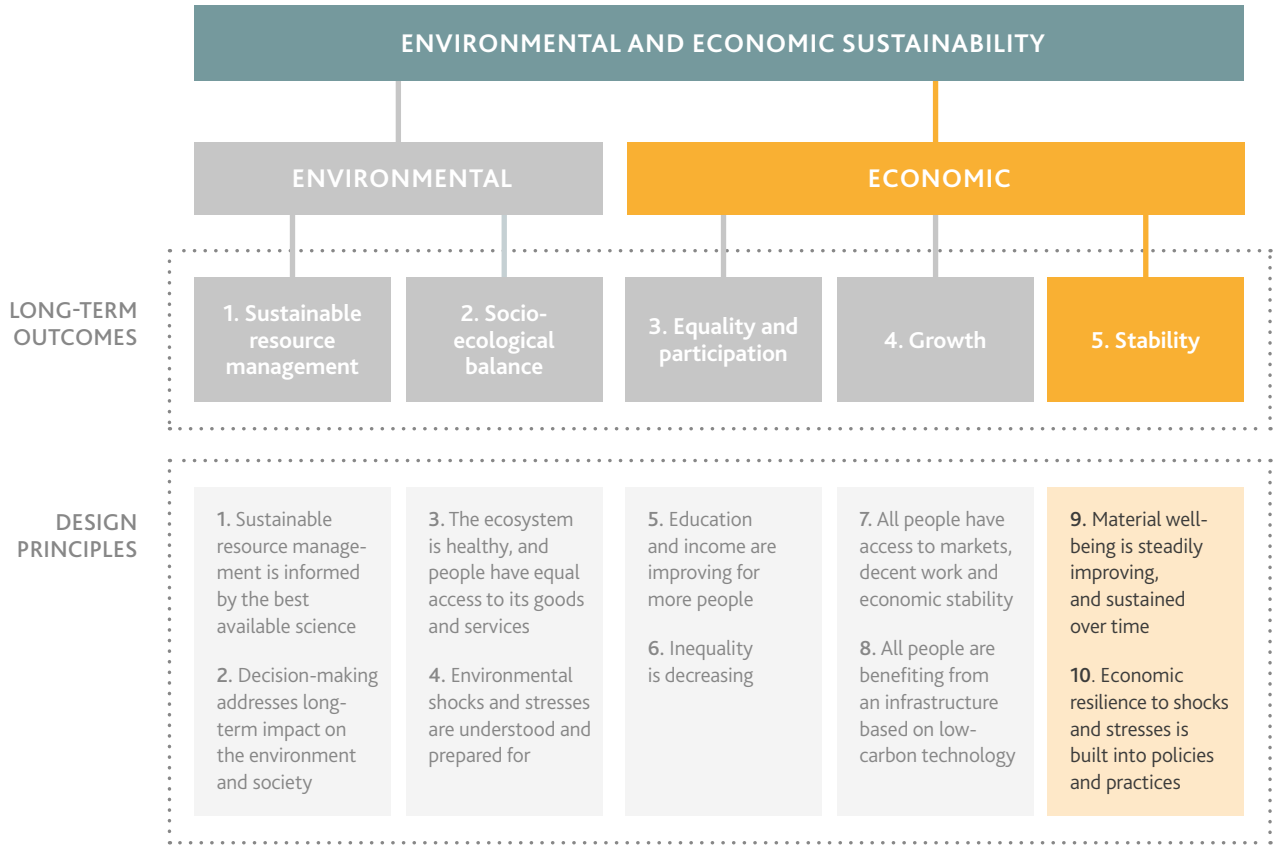
Connections with Tearfund's LIGHT Wheel

ECONOMIC LONG-TERM OUTCOME

3.5 Stability

Individuals, communities, businesses and governments are confident about the future and can invest in or save for it. Economic systems are increasingly resilient to shocks and stresses, especially those that hit the poorest hardest.

There are two design principles related to this long-term outcome, as illustrated below:



DESIGN PRINCIPLE

9. Material well-being is steadily improving, and sustained over time

People own land, pasture, money and other financial assets that increase their level of well-being.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 9, and to design project activities and targets, and monitor progress:

1 **Very bad.** There is a general lack of understanding or awareness about how to improve people's lives and sustain their living standards. People cannot invest or save for the future.

2 **Deteriorating.** There is little understanding about the need for economic growth to go hand-in-hand with other measures such as a healthy environment, education etc. Some people are able to invest or save for the future.

3 **Stabilised.** It is understood that material well-being is an important aspect of economic growth. A savings culture is beginning in the community.

4 **Improved.** Material well-being is increasingly seen as an important aspect of economic growth. A significant proportion of the population are able to invest or save, although most poor people cannot.

5 **Significantly improved.** Economic growth is measured by GDP along with other aspects of well-being. All of society can invest and save for their future, including poor and vulnerable people.

Indicators

These indicators can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Life expectancy at birth
- Percentage of households that have proof of ownership or tenancy of, or access to:
  - their own home
  - their own land
  - their own pasture
- Percentage of households that have gone without either food, medicine or education over the last 12 months due to lack of funds
- Percentage of households that were able to save some money in the last week
- Percentage of the population above a minimum level of dietary energy consumption and sustained over a specific period
- Percentage of the population using informal financial services eg private money lender
- Percentage of the population using formal financial services eg bank
- Percentage of the population aged 15+ who have borrowed from a financial institution
- Country Policy and Institutional Assessments property rights and rule-based governance rating eg land bill
- Percentage of the population with access to insurance services
- Level of internal conflict (Please check online for International Country Risk Guide rating.[4]).

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

Gender Empowerment Resilience

4 https://www.prsgroup.com/explore-our-products/international-country-risk-guide/

Connections with Tearfund's LIGHT Wheel

DESIGN PRINCIPLE

10. Economic resilience to shocks and stresses is built into policies and practices

Economic systems are increasingly resistant to shocks and stresses, especially those most affecting poor and vulnerable communities.

The grading scale

The following grading scale can be used to decide what stage a community (or wider population) has reached in relation to design principle 10, and to design project activities and targets, and monitor progress:

1 **Very bad.** Economic systems are fragile or non-existent. There are no policies or resources at any level to support community-based disaster risk management. Household incomes are totally unable to cope with shocks and stresses.

2 **Deteriorating.** The economy is gaining in size and formality but a privileged elite shapes or controls it. There are very few, if any, local or national policies or resources for community-based disaster risk management. Household incomes are vulnerable to shocks and stresses and unable to recover from them.

3 **Stabilised.** Economic systems mainly benefit the elite, but there is economic growth and more people are able to participate in economic activity. There is some focus on, and resources for, community-based disaster risk management at local/national level. Some household incomes are able to cope with shocks and stresses.

4 **Improved.** Economic systems are being challenged to distribute benefits more widely. Local and national policies are being developed and more funds allocated to community-based disaster risk management. An increasing number of household incomes are able to cope with and recover from shocks and stresses.

5 **Significantly improved.** Economic systems are stabilising and transforming for everyone's benefit, including poor communities. Local and national policies are in place for community-based disaster risk management, as well as a good level of funding. Most household incomes are able to cope with and recover from shocks and stresses.

Indicators

The following indicators can be used to help work out whether a community (or wider population) has reached level 1, 2, 3, 4 or 5 on the grading scale. They can also be used to help design project activities and targets, and monitor progress.

- Percentage of people living below 1.25 USD per day
- Has the median income increased or decreased in the last month, quarter or 12 months?

- Has the percentage of people living above/below the median income increased or decreased?
- Quantity/quality of disaster risk management policies in place at local and national levels
- Level of finance allocated to community-based disaster risk management locally and nationally
- Number of households with savings and insurance in place

Connections with Sustainable Development Goals

Connections with Tearfund Quality Standards

Connections with Tearfund's LIGHT Wheel

APPENDIX 1: EXAMPLES FROM THE FIELD TESTING

Two examples are given here to demonstrate:

1. An EES baseline assessment
2. A preliminary EES assessment of a project that had recently started.

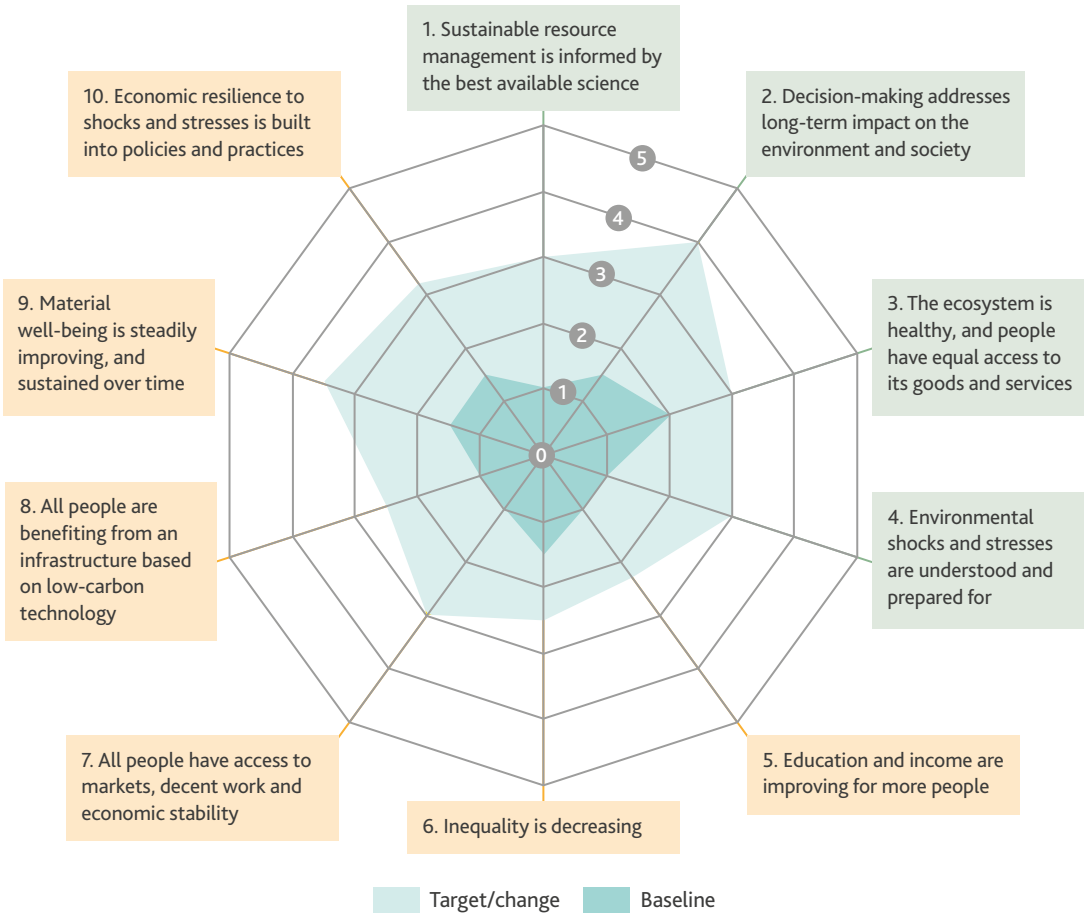
Example of an EES baseline assessment

The following table, with figure 5 (spider diagram) below it, is a baseline assessment from Tanzania. At the end of each qualitative description, see the grading out of 5 against the design principles. For example, '2 out of 5' for 'Sustainable resource management is informed by the best available science'.

	EES long-term outcomes	Design principles	Tanzania: Pamoja self-help groups
ENVIRONMENTAL	**1. Sustainable resource management**	1. Sustainable resource management is informed by the best available science	Deforestation from over-exploitation of fuelwood has denuded the landscape of firewood-bearing trees; the land is now dominated by one tree – Baobabs. Although many of the perceived changes are superstitious and not scientific, awareness of the causes and effects of climatic changes is increasing. **Baseline assessment: (2 out of 5)** **Target/change: (3 out of 5)**
		2. Decision-making addresses long-term impact on the environment and society	There is not significant change in mindset and awareness to save and think about the future. Largely superstitious and uneducated, but increasingly aware and concerned. Destructive past recognised and negative consequences starting to be understood eg the use of firewood. Shifts in awareness and motivation, however, feeling too late to save traditional woodlots and allow for natural regeneration. Floral restoration, if at all possible, especially with limited water, is likely to take decades. Community recognising value of water and what they have lost but no plan to secure. The community recognise (and regret) what they have lost, particularly in the value of trees and old (higher) water-table levels. **Baseline assessment: (1.5 out of 5)** **Target/change: (4 out of 5)**
ENVIRONMENTAL	**2. Socio-ecological balance**	3. The ecosystem is healthy, and people have equal access to its goods and services	Equal, but poor acccess. The goods and services communities can gain from such an altered and damaged environment are significantly reduced as a consequence of changed conditions – lack of water security, lowering water tables, less and more variable rainfall. **Baseline assessment: (1 out of 5)** **Target/change: (3 out of 5)**
		4. Environmental shocks and stresses are understood and prepared for	Very vulnerable to rainfall variability. Changes in rainfall, vegetation type, diversity and density, together with a lowering water table, indicate a significantly degraded ecosystem. However, they have no internal plan to secure their future against the impacts of local and immediate environmental changes – characterised by a lack of water and food security, lowering water tables, less and more variable rainfall. **Baseline assessment: (1 out of 5)** **Target/change: (3 out of 5)**

ECONOMIC	**3. Equality and participation**	5. Education and income are improving for more people	Very little improvement. However, self-help community savings (Pamoja) groups provide men and women (who have been saving) opportunity for investment in improved livelihoods. **Baseline assessment: (1 out of 5)** **Target/change: (2.3 out of 5)**
		6. Inequality is decreasing	Equally poor: a few examples of economic benefit from investment through Pamoja loans for isolated individuals. However, the principle of Pamoja indicates that such positive outcomes can also benefit vulnerable people in a community. **Baseline assessment: (1 out of 5)** **Target/change: (2.5 out of 5)**
	4. Growth	7. All people have access to markets, decent work and economic stability	Very limited market information available, reflecting inherent weakness. Very few and largely informal jobs, but there are potential opportunities in the solar industry (solar kit retail). **Baseline assessment: (1 out of 5)** **Target/change: (3 out of 5)**
		8. All people are benefiting from an infrastructure based on low-carbon technology	There is demand in the Tanzanian market for renewable solutions to electrification in off-grid rural areas, even in poorer areas such as Manyoni. This would benefit poorer people in the communities very little without the ability to save to invest in solar kits, making the Pamoja groups' target an appropriate goal for savings. Government is encouraging off-grid solar for areas such as parts of Manyoni that are too far from the central grid. **Baseline assessment: (1 out of 5)** **Target/change: (2.5 out of 5)**
	5. Stability	9. Material well-being is steadily improving, and sustained over time	Limited but positive testimonies by a few Pamoja people who have experienced improvements. Pamoja groups have greater ability to spend on what is important and valued. Significant awareness-building campaign targeting changes in mindset to save and think about the future. **Baseline assessment: (1.5 out of 5)** **Target/change: (3.5 out of 5)**
		10. Economic resilience to shocks and stresses is built into policies and practices	Limited but incremental steps are being taken with potential for greater resilience for vulnerable people, and general micro-economic transformation. Very difficult to predict what/when to plant as rains unreliable. Need savings. Pamoja groups have greater buffering capacity against economic shocks. Not all Pamoja members are saving in order to purchase solar, with members citing goals of farming inputs, school fees, business expansion/inputs and health as core saving priorities. **Baseline assessment: (1.5 out of 5)** **Target/change: (3.2 out of 5)**

Figure 5 Spider diagram (Tanzania)



Example of a preliminary assessment of an ongoing project

The following information is from a recycling and waste management project in Pakistan:

	EES long-term outcomes	Design principles	Pakistan recycling and waste management project summary
ENVIRONMENTAL	1. Sustainable resource management	1. Sustainable resource management is informed by the best available science	Generally – from a technical and project-design perspective. More knowledge could support occupational health. Strongly emphasised and central focus with growing awareness of dangers of a damaged and unhealthy environment. **Rating at the assessment: (3.5 out of 5)**
		2. Decision-making addresses long-term impact on the environment and society	Strongly emphasised and central focus of project and internalised at multiple levels of implementation. A central focus and growing trend of shifting values in community to care for environment. **Rating at the assessment: (4 out of 5)**
ENVIRONMENTAL	2. Socio-ecological balance	3. The ecosystem is healthy, and people have equal access to its goods and services	Significant improvements made to date, with more planned. **Rating at the assessment: (3 out of 5)**
		4. Environmental shocks and stresses are understood and prepared for	Incorporated as a secondary outcome (floods and fires reduced). **Rating at the assessment: (3 out of 5)**
ECONOMIC	3. Equality and participation	5. Education and income are improving for more people	Platform established and modelled for those employed. Opportunities for supplementary income from waste. **Rating at the assessment: (4.5 out of 5)**
		6. Inequality is decreasing	For those employed, and opportunities available for general supplementary income from household organic waste. Baseline indicates very poor access to public service of waste collection for poor; intervention is redistributive and restorative. **Rating at the assessment: (3.5 out of 5)**
	4. Growth	7. All people have access to markets, decent work and economic stability	Growing knowledge of market value for waste. Market intelligence is being explored and developed particularly for beneficiation of waste types. **Rating at the assessment: (4 out of 5)**
		8. All people are benefiting from an infrastructure based on low-carbon technology	Technology is appropriate to context. Variety of technologies employed at multiple levels in value chain. **Rating at the assessment: (4 out of 5)**
	5. Stability	9. Material well-being is steadily improving, and sustained over time	Material well-being is significantly and incrementally improved for those involved in hubs. **Rating at the assessment: (4 out of 5)**
		10. Economic resilience to shocks and stresses is built into policies and practices	Strongly emphasised and central focus but limited impact to date at scale that is expected. Stable and secure jobs provided. Security of flow of waste currently established but will need revision in time. Initial steps towards sustainability being made. **Rating at the assessment: (3.5 out of 5)**

APPENDIX 2: EES PRINCIPLES AND THE SUSTAINABLE DEVELOPMENT GOALS

Figure 6 provides examples of how the ten EES design principles link with the UN Sustainable Development Goals (SDGs).

Figure 6 EES principles and the SDGs

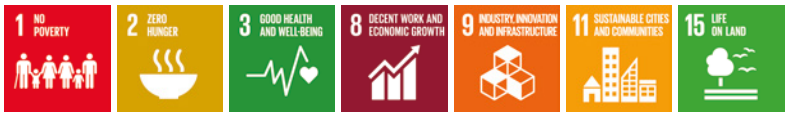
	EES general design principles	Relevant SDG targets
ENVIRONMENTAL	1. Sustainable resource management is informed by the best available science	
	2. Decision-making addresses long-term impact on the environment and society	
	3. The ecosystem is healthy, and people have equal access to its goods and services	
	4. Environmental shocks and stresses are understood and prepared for	
ECONOMIC	5. Education and income are improving for more people	
	6. Inequality is decreasing	
	7. All people have access to markets, decent work and economic stability	
	8. All people are benefiting from an infrastructure based on low-carbon technology	
	9. Material well-being is steadily improving, and sustained over time	
	10. Economic resilience to shocks and stresses is built into policies and practices	

Figure 7 The Sustainable Development Goals

APPENDIX 3: EES PRINCIPLES AND TEARFUND QUALITY STANDARDS

Figure 7 provides examples of how the ten EES design principles link with Tearfund's Quality Standards.

Figure 8 EES principles and Tearfund's Quality Standards

	EES general design principles	Behaviours	Impartiality & Targeting	Accountability	Gender	Empowerment	Resilience	Protection	Technical quality
ENVIRONMENTAL	1. Sustainable resource management is informed by the best available science	●					●		●
	2. Decision-making addresses long-term impact on the environment and society	●				●	●		
	3. The ecosystem is healthy, and people have equal access to its goods and services		●	●	●	●	●	●	●
	4. Environmental shocks and stresses are understood and prepared for			●			●	●	●
ECONOMIC	5. Education and income are improving for more people			●	●	●	●		
	6. Inequality is decreasing		●		●	●		●	
	7. All people have access to markets, decent work and economic stability	●	●		●	●		●	
	8. All people are benefiting from an infrastructure based on low-carbon technology		●	●	●	●	●		●
	9. Material well-being is steadily improving, and sustained over time				●	●	●		
	10. Economic resilience to shocks and stresses is built into policies and practices	●				●	●	●	

Tearfund's Quality Standards

Tearfund aims to work to the highest possible standards with integrity and transparency. We have identified a set of corporate Quality Standards in support of our vision and the delivery of our strategy, which are in keeping with the organisational characteristics we aspire to and which summarise all of the relevant external and internal accountability and Quality Standards, codes, guidelines and principles to which we are committed:

Our Quality Standards are embedded within our core values. We bear witness to the coming kingdom in who we are, what we say and do and the way we do it, as we work towards whole-life transformation. This starts with outworking our core values, being Christ-centred, servant-hearted, compassionate, courageous and truthful. The way each of our Quality Standards are outworked should demonstrate these core values.

Behaviours

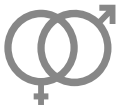
We expect the highest standards of behaviour across all of our work. We stand against all forms of exploitation, abuse, fraud, bribery and any other behaviour that is incompatible with our values. We strive to transfer power to the people we serve; to transform our own, our partners' and communities' attitudes and practices on inclusion, conflict sensitivity, accountability, gender and learning.

Impartiality and targeting

We are committed to impartiality, providing assistance to the most vulnerable without regard for race, religion, ethnicity, ability, age, gender, sexuality or nationality. We target our work on the basis of need alone while remaining sensitive to conflict dynamics, and pro-actively work to support those who would otherwise be marginalised or excluded, in particular children, the elderly and those living with disability.

Accountability

We are committed to ensuring that all our work is based upon effective communication with, participation of and feedback from the communities we serve. It is important that all interventions are transparent and based upon continuous learning. We also hold ourselves accountable to our partners, donors, supporters and colleagues, and to all those with whom we relate and interact.



Gender

In all our programmes we actively seek to challenge gender inequality, harmful beliefs and practices, and work towards gender justice. We are committed to progressing gender equality, the restoration of relationships between men and women, boys and girls, and ensuring their equal value, participation, and decision-making in all aspects of life.

Empowerment

We are committed to community-led and participatory approaches to development and humanitarian response for sustainable impact that is based on root cause analysis. We encourage participation from all members of a community, and strive to support beneficiaries to have control over their own development at all levels, from local development activities through to local, national and regional advocacy.

Resilience

We are committed to helping people understand, reduce and manage the risks they face as well as to address the drivers of vulnerability. This includes supporting people and communities in developing resilient livelihoods, strengthening social cohesion, improving access to services, stewarding environmental resources, reducing disaster risk and adapting to climate change.

Protection

We are committed to restoring relationships and building safe and secure communities. We seek to prioritise the protection of all – especially children and the most marginalised and vulnerable adults – from physical, social and psychological harm. We will take steps to assess risks, including conflict dynamics, to avoid any adverse effects of our work that might expose people to danger or lead to abuse. We believe that community members are the best actors in their own protection and will support their actions to stay safe, find security and restore dignity.

Technical quality

We are committed to the high technical quality of all of our work, and the work of partners, through meeting relevant national and international standards aligned with communities' own priorities. We will continuously learn to improve and identify and replicate good practice that is demonstrated to have relevant and positive impact.

APPENDIX 4: EES PRINCIPLES AND THE LIGHT WHEEL

Figure 9 EES long-term outcomes and Tearfund's LIGHT Wheel domains/context

EES long-term outcomes	The LIGHT Wheel domains	The LIGHT Wheel context
1. Sustainable resource management	• Participation and influence • Stewardship of the environment • Capabilities	• Institutions • Law • Environment • Technology • Politics • Economy
2. Socio-ecological balance	• Emotional and mental health • Stewardship of the environment • Material assets and resources • Living faith • Social connections	• Environment • Technology • Politics • Services • Security • Economy
3. Equality and participation	• Personal relationships • Emotional and mental health • Physical health • Participation and influence • Material assets and resources • Capabilities • Social connections	• Society • Technology • Politics • Services • Economy
4. Growth	• Emotional and mental health • Physical health • Participation and influence • Stewardship of the environment • Material assets and resources • Capabilities	• Institutions • Law • Society • Technology • Services • Economy
5. Stability	• Emotional and mental health • Stewardship of the environment • Capabilities • Material assets and resources • Social connections	• Institutions • Law • Environment • Services • Economy

Tearfund's LIGHT Wheel

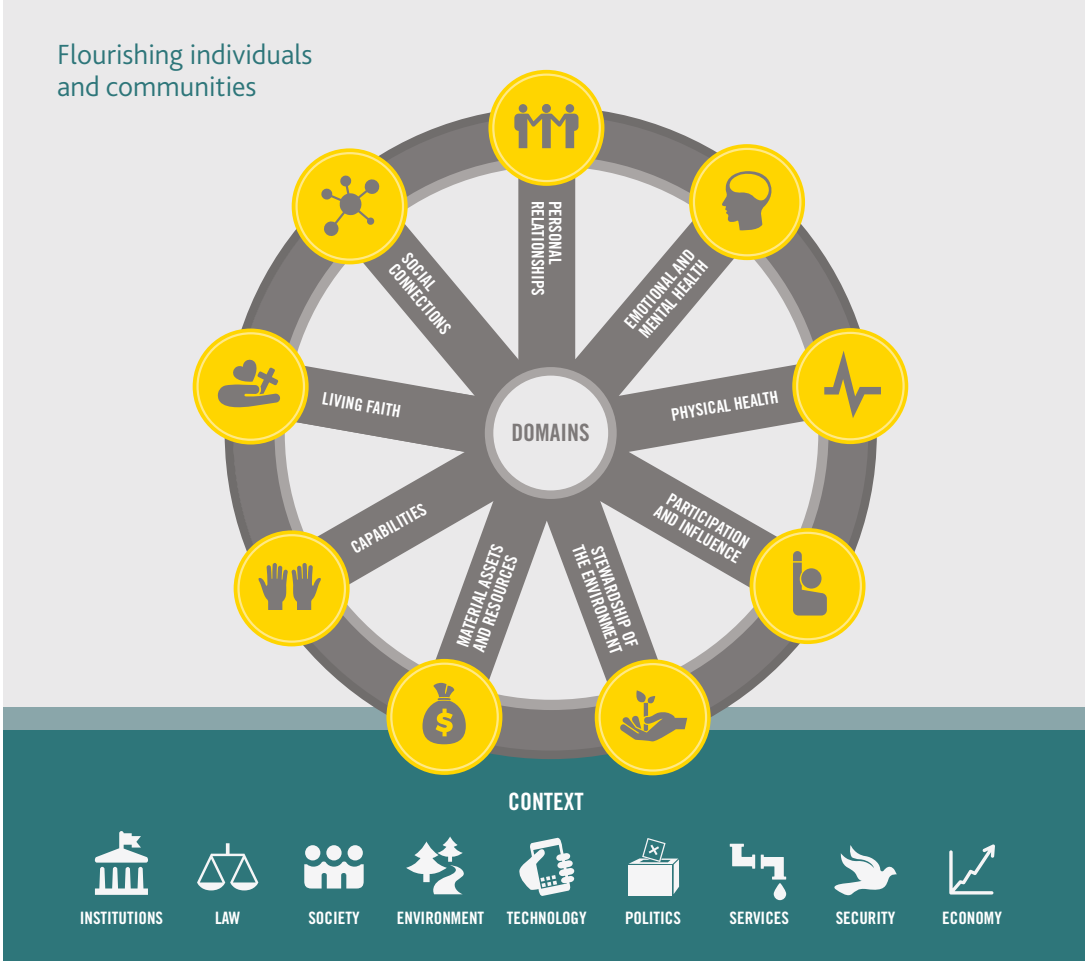
The LIGHT Wheel was developed by Tearfund's Impact and Effectiveness team, influenced by the University of Bath's (UK) work on well-being. It provides a framework with nine different domains, which forms our definition of whole-life transformation. Each domain, represented as the nine 'spokes' of the Wheel, represents one aspect of what it means to flourish and be resilient.

As the wheel analogy illustrates, all of these areas are inter-connected – just as they are in the life of any human being. By considering each spoke of the LIGHT Wheel, a holistic view can be taken that can help us outwork integral mission and to bring about whole-life transformation through the restoration of relationships.

Throughout this EES guide we have included references that indicate how each design principle relates to the LIGHT Wheel. This shows how the principles of environmental and economic sustainability play an important part in bringing whole-life transformation to the communities we serve.

The LIGHT Wheel also contains a number of data collection tools that help us to plan, measure and assess our contribution to holistic transformation. You can request a copy of the LIGHT Wheel toolkit by emailing lightwheel.support@tearfund.org or download it by visiting Tearfund Learn at learn.tearfund.org/lightwheel

Figure 10 Tearfund's LIGHT Wheel



For the creation waits in eager expectation for the children of God to be revealed. For the creation was subjected to frustration, not by its own choice, but by the will of the one who subjected it, in hope that the creation itself will be liberated from its bondage to decay and brought into the freedom and glory of the children of God.

ROMANS 8:19-21

Our desire is not that others might be relieved while you are hard pressed, but that there might be equality. At the present time your plenty will supply what they need, so that in turn their plenty will supply what you need. The goal is equality, as it is written: 'The one who gathered much did not have too much, and the one who gathered little did not have too little.'

2 CORINTHIANS 8:13-15

tearfund

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