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Mainstreaming the environment? The third sector and environmental performance management

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Mainstreaming the environment: the third sector and environmental performance management

Abstract

Third sector organisations (TSOs) are increasingly seeking to find ways in which their performance can be evaluated to demonstrate the value of their activities (Kendall and Knapp, 2000; Paton, 2003; Arvidson, 2009). While the focus of TSOs has been predominantly the analysis of their social benefits, there is increasing awareness that the third sector needs to better consider its environmental impact. This has been given increased momentum by the publication of *Shaping Our Future: The Joint Ministerial and Third Sector Task Force Report on Climate Change, the Environment and Sustainable Development* in March 2010. Given the prominence of environmental issues in recent years, it is disarming to discover that there is only a limited literature on how TSOs evaluate their environmental performance. In an attempt to develop a more systematic approach to this field of study, this paper provides a brief summary of the range of tools that are currently available to TSOs to evaluate their environmental performance. It then offers an analytical framework for understanding and evaluating the variety of tools and outlines a research agenda for field research on understanding the application of such tools in practice.

Introduction

The third sector seeks to prove its value not by profit margins, but by demonstrating how it converts its resources into wider economic, social and environmental benefits. The development and application of tools that aim to measure such value has become increasingly prevalent over the past two decades, as third sector organisations (TSOs) rely more heavily on proving their performance to ensure their survival (Barman, 2007; Ryan and Lyne, 2008). But to what extent has the 'audit explosion' in the third sector (Paton and Foot, 2000) led to the consideration of environmental impacts and what effect has this had on the practices of TSOs? Much of the development in the area of performance management in the third sector has focused on the assessment of social impacts – as has the bulk of academic research (e.g. Kendall and Knapp, 2000; Paton, 2003; Cairns *et al*, 2004). But with the emergence on the political agenda of pressing environmental concerns – in particular in relation to climate change – there are increasing calls from within the sector and without for TSOs to engage more effectively with environmental issues. For example, in 2009 the Association of Chief Executives of Voluntary Organisations (ACEVO), in-conjunction with the Charities Evaluation Service (CES), published two reports on *The Sustainability Challenge,* offering a series of actions that TSOs can take to become more environmentally sustainable in their working practices (ACEVO 2009a, 2009b). In the same year the Third Sector Task Force was initiated by Department for the Environment, Food and Rural Affairs (DEFRA). This saw 16 TSOs working in partnership with several government departments (DEFRA, OTS, DECC and CLG). The Task Force, chaired by the Green Alliance and NCVO, published *Shaping Our Future* in March 2010 – a call to arms for the third sector to engage with environmental challenges, in particular climate change. The claim that the third sector is in a unique position to respond to such challenges is repeated throughout. In the words of Stephen Hale, the Chief Executive of the Green Alliance (and co-chair of the Task Force):

> *'It is difficult for political leaders to take action on climate change at the scale and speed necessary. Neither governments, businesses nor individuals acting alone will be able to secure more decisive action by political leaders. Only the third sector can do this, and a far greater mobilisation will be needed to create the social foundations for action.'* (Hale, 2010: 255)

While the environment is now clearly on the third sector policy agenda, there is little evidence as to the extent to which individual TSOs are embracing this issue. It is particularly notable that while both the ACEVO and Task Force reports make general statements about the need to consider the environment and sustainability, neither offer very precise recommendations on *how* TSOs can integrate the environment into their decision-making processes. The tendency of these reports is to highlight specific high profile environmental projects and offer fairly general recommendations that (for example) TSOs should sign up to commitments to reduce carbon dioxide emissions. Recommendations and guidance on the tools that are available to help improve environmental performance are noticeable by their absence. There is almost a tacit assumption that the social purpose of TSOs will ensure that the environment is considered. So, for example, the well-known writer John Pearce has argued: 'The word 'social' must also be taken to include environmental

factors… Any socially responsible organisations must be environmentally responsible' (Pearce, 2003: 33). But this connection cannot be assumed. Just because a TSO is realising social benefits, it does not necessarily follow that these are achieved in an environmentally-sustainable manner – or that the organisation has given any consideration to its environmental practices.

The initiation of the Task Force by DEFRA is an indication that just as public authorities expect TSOs to account for their social contributions, government and other stakeholders such as potential funders, may soon expect them to provide evidence of their environmental impact. And, as with consideration of social impacts, this means that TSOs will be looking for tools that allow them to assess and provide evidence of their environmental efficacy. In this paper we review the existing literature on the assessment of environmental value by TSOs. While there is a paucity of studies, we are able to draw out a number of themes. As a first step in developing a more systematic research agenda in this area, we provide a brief overview of the variety of tools that are currently available to the third sector. We are ecumenical in our definition of performance management tools, including those that aim to simply generate reflection on environmental issues through to fully blown management systems. Based on this overview, we lay out a potential analytical framework to make sense of the diversity of tools. Finally, we argue the case for more systematic research on the impact of the *application* of such tools in practice.

The paucity of research evidence

A search of databases[1] against keywords generates very few peer-reviewed articles on the evaluation of environmental performance within the third sector. There are, arguably, two reasons for this. First, the study of the third sector has no obvious disciplinary home; thus compared to the analysis of private sector activity, there is no equivalent to management or business studies. Hence, we find that, as Grey suggests: 'a considerable proportion of what is said and researched on such matters as social responsibility and sustainability is considered in an exclusively corporate context' (Gray, 2002: 377). Second, it is only relatively recently that the environment has become a significant subject of analysis across the social sciences; it is yet to have an established presence within third sector studies (hence the development by TSRC of a programme of work in this neglected area). But even the broader literature on corporate environmental performance management is itself in its relative infancy. So, for example, Gray could claim that his 2006 paper 'Social, environmental and sustainability reporting and organisational values creation? Whose value? Whose creation?' is one of the first 'to formally introduce and confront data about planetary sustainability' (Gray, 2006: 793). However, by drawing on the very few studies that have been undertaken on the use of environmental performance tools in non-third sector organisations, along with relevant insights from the relatively more robust literature on corporate performance management and general literature on the third sector and performance evaluation, it is possible to isolate a number of issues; the running theme undoubtedly being scepticism that TSOs are able to effectively undertake environmental performance management. However, it is not always clear precisely where the concern of writers lays: that environmental impacts are too complicated to assess; that they are difficult to translate into a form that

can guide decision making; or that TSOs lack the capacity (resources and/or will) to undertake such analysis? To clarify these concerns, we distinguish five different elements of the sceptism that has been voiced in the literature: (1) measuring environmental impacts; (2) expressing environmental impacts in performance tools; (3) engaging stakeholders; (4) capacity of organisations to undertake environmental performance management; and (5) the lack of a community of practitioners.

First, a general underlying concern is with *complexity,* relating to the observation, analysis and measurement of environmental impact. Environmental impacts – like social impacts – can be difficult to capture, particularly when they are not always so visible and immediate. An example might be the difficulties involved in tracking carbon dioxide emissions of various activities. This aspect of complexity may be intensified when tools such as Social Return on Investment (SROI) are used to assess future performance, let alone current (or past) realities (Olsen, 2003).

But even if we are able to conceive of the various impacts on the environment of an organisation's activities, a second perceived problem relates to *how these impacts are to be articulated in the assessment procedure.* Much of the debate that emerges on this theme focuses specifically on those tools that require monetary valuation of impacts and echoes earlier heated discussions in environmental economics and politics about the extension of cost-benefit analysis (CBA) to include environmental values (Smith, 2003). Analytically there are at least two arguments at play here which are rarely separated. The first is whether the plethora of environmental (and social) impacts can be represented by a single 'yardstick' – typically a monetary valuation. Environmental economists have developed a range of techniques for generating monetary valuations of environmental impacts which would be brought into play if SROI and similar accounting tools are to be applied. Often this will involve the use of proxies: for example, the travel cost method assesses the costs visitors incur in travelling to a park or other amenity as a proxy for its environmental value. Much then rests on the suitability of selected proxies: even supporters of the use of financial proxies are concerned about their robustness and credibility (New Philanthropy Capital 2010: 9). Others are concerned about the very idea of putting a financial value on environmental impacts. Herbohn reports on research that suggests *'philosophical concerns about the reduction of intrinsic environmental values to financial terms was an unresolved source of tension for some managers and stakeholders'* (Herbohn, 2005: 534). One aspect of this concern is whether different types of environmental impact are *commensurable*: that they can be represented on the same scale of value as each other and fiscal and social impacts. For some, this is a category mistake that misrepresents the variety of environmental values and we would do better to lay out environmental (and other) impacts on their own terms and make a judgement between them. As Reed *et al* comment: *'quantifying impacts is not always relevant and… a more qualitative demonstration is often more appropriate, despite its difficulties'* (Reed *et a,l* 2005: 125).

This debate about value commensurability often becomes wrapped up in, and arguably dominated by, a broader ethical concern about the implications of the *integration of the environment into mainstream financial reporting*. By entering environmental impacts into the costs and benefit columns of financial calculations, the impression is given that environmental impacts can be substituted or 'offset' by suitable economic or social gains, with the overall aim of TSOs being economic efficient. In

rather polemical fashion, Gray argues: '*few ideas could be more destructive as the notion of a sustainable plenty and a system of economic organisation designed to maximise those things which financial reporting measures*' (Gray, 2006: 794). Gray and Bebbington (2000) suggest that such financially-orientated performance management tools perpetuate the values within an organisation that allow it to perform well in a market-based system rather than against ecologically-framed value systems.

In recognition of the twin problems associated with valuing the environment in monetary terms, we find support for alternative tools such as sustainability assessment models (SAM) where '*there is no attempt to press impacts together into a single number in a search for an optimal solution for all members of society*' (Bebbington *et al*, 2007: 231). Instead, impacts are laid out in their own terms, with decision makers (and other stakeholders) left to make judgements about relative weightings. There is, however, a lack of an evidence base on the application of SAM and related tools in a third sector context – Bebbington *et al*, study (for example) is based on large private-sector organisations (BP Aberdeen, Genesis Oil and Gas Consultants). However, as the authors argue: '*Other examples will arise as institutions grapple with the increasingly complex and uncertain nature of decision-making processes around long-term resource constrained issues*' (ibid: 234).

A third set of concerns relates to *stakeholder engagement* in the process of capturing complex environmental values; a process that is increasingly promoted in high profile performance management tools such as SROI and alternatives such as SAM. While there are transparency and accountability gains to be had through such engagement, critics suggest that the desire to be inclusive tends not to involve reflection on '*who has control of the agenda, the process and the outcomes*' (Thomson and Bebbington, 2005: 524). Indeed, where there is involvement of stakeholders, the process is likely to be fraught with poorly understood power asymmetries. While Thomson and Bebbington are not specifically focused on TSOs, their concern remains relevant:

> '*Ostensibly, the rhetoric of stakeholder engagement is that a dialogical process is happening and that the organisation teaches stakeholders about its operations while simultaneously being taught by stakeholders. This presupposes that power asymmetries have been adequately dealt with – something we would suggest is not the case. While stakeholder engagement has the veneer of a dialogical education process it appears to operate as little more than a more sophisticated banking educational approach whereby the organisation examines stakeholders in order to, consciously or unconsciously better control them.*' (Thomson and Bebbington, 2005: 526)

A fourth concern relates less to the actual structure of performance management tools, but rather to the *capacity of TSOs* to undertake meaningful environmental assessment. This reflects a general concern within the third sector performance management literature: significant numbers of TSOs will lack access to relevant resources (for example, finance, expertise, time, etc.) and/or lack the will to act. For many TSOs, the environment is not an explicit part of their mission. Herbohn (2005) suggests the more environment represents a core activity of an organisation, the more likely that organisation is to engage with environmental performance issues (a claim that is not yet backed by evidence). As such, when TSOs do engage in performance management, the environment may often be marginalised or only focus on a limited number of easily quantifiable impacts. Rotheroe and Richards' (2007) analysis of the Furniture Resource Centre's use of SROI shows how even in a highly

committed organisation's, evaluation of environmental impact is (understandably) reduced to the most easily quantifiable dimension: in this case a focus on the value of waste diverted from landfill.

Even when there is the desire to undertake and embed environmental performance management, Thomas and Bebbington (2005) suggest that most organisations fail to engage in longitudinal reflection on performance, with assessment being based on discrete evaluations rather than a longer term analysis of change. This is problematic when environmental challenges suggest that sustained changes are needed, as opposed to short-term solutions (Carmangie *et al,* 2007). TSOs are often overstretched in trying to realise their core activities, without having to consider broader environmental concerns: short-term questions of survival (exacerbated by the proliferation of short-term contracts) unsurprisingly prefigure longer-term commitments to organisational evaluation (Cunningham, 2008). New Philanthropy Capital is explicit in its assessment that SROI, like other forms of evaluation or financial accounting, is resource intensive: *'Involving stakeholders and doing accurate economic analysis takes time and specialist skills'* (NPC 2010: 6). And as Herbohn (2005) reports, environmental evaluation becomes problematic if it takes up too much of an organisation's time or is a burden in terms of administration.

Drawing on experience from SMEs, Koroljova and Vornova argue that the use of simpler techniques can lead on to the adoption of more rigorous environmental management systems:

> *'(Ecomapping) is the first step towards integrating environmental considerations into the day-to-day activities of small SMEs. It does not demand a lot of time, money and energy but at the same time gives a clear picture of current environmental situation at an enterprise and prepare a basis for the implementation of ISO14001, the EMAS regulation or for green productivity.'* (Koroljova and Vornova 2007: 544)

Again this reflects evidence from the private sector: whether it holds true for TSOs requires further investigation.

Finally, the literature suggests that a further limitation towards progress on environmental performance is the *lack of a community of practitioners*: not only in terms of providing advice, consultancy and effectively supporting TSOs in their appraisals, but also reflecting on and evaluating the use of particular tools and the reports produced by organisations (Thomson and Bebbington, 2005). The paucity of the academic and grey literature attests to this gap. Without such activity, it is difficult to see how tools that are effective in responding to pressing environmental challenges will evolve and spread across the sector.

Analysing tools and their application

The scarcity of literature on environmental performance management tools and their application in practice across the third sector opens up a significant area of research for the Third Sector Research Centre (TSRC). In the rest of this paper we take up the task of developing the basis for a systematic analysis of the practice of environmental performance management. The first stage is a brief overview of the range of tools that are being used and/or promoted as a means by which TSOs can account for and develop a response to their environmental impacts. The second is a proposed analytical framework that may take us some way towards developing a typology of these tools. The aim is to
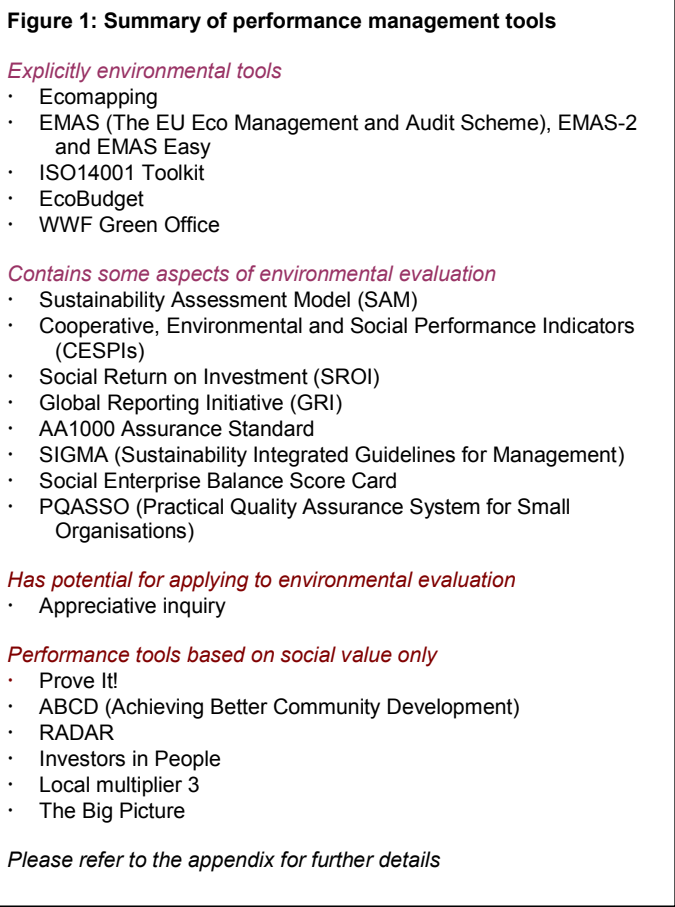
investigate the different options that are available in designing environmental performance management. Finally, we offer some thoughts on researching the application of these tools; how they effect and shape the practices of TSOs (and vice versa).

The variety of tools

Throughout the review of existing literature, it becomes apparent that there are myriad tools available for evaluating environmental performance. However, there is no single source which provides details of the variety of tools and how they are applied (which reinforces the perception of a lack of a community of practice). In Figure 1 we provide an initial overview of the tools that are mentioned in the academic and grey literature or which appear through web-searches. Further details are found in the Appendix where (information permitting) we summarise each tool's main features, offer a short commentary and provide examples of TSOs that have applied the tool. We do not claim that this list is wholly comprehensive, but it does provide an overview of many of the available methods of evaluation. We have divided the tools into a number of categories: explicitly environmental; some aspect of environmental evaluation; potential for environmental evaluation; explicitly social only; requiring further research for classification. It has been difficult to collate this information, not helped by a lack of specificity in the literature and on websites. Further interviews with practitioners and TSOs will help flesh out missing details.

Figure 1: Summary of performance management tools

Explicitly environmental tools
· Ecomapping
· EMAS (The EU Eco Management and Audit Scheme), EMAS-2 and EMAS Easy
· ISO14001 Toolkit
· EcoBudget
· WWF Green Office

Contains some aspects of environmental evaluation
· Sustainability Assessment Model (SAM)
· Cooperative, Environmental and Social Performance Indicators (CESPIs)
· Social Return on Investment (SROI)
· Global Reporting Initiative (GRI)
· AA1000 Assurance Standard
· SIGMA (Sustainability Integrated Guidelines for Management)
· Social Enterprise Balance Score Card
· PQASSO (Practical Quality Assurance System for Small Organisations)

Has potential for applying to environmental evaluation
· Appreciative inquiry

Performance tools based on social value only
· Prove It!
· ABCD (Achieving Better Community Development)
· RADAR
· Investors in People
· Local multiplier 3
· The Big Picture

Please refer to the appendix for further details

Towards a typology of tools

Figure 1 and the appendix to this paper clearly demonstrates the variety of methods that can be used to evaluate environmental performance, but these range in terms of size, scope and outputs enormously. One way of attempting to make sense of this disparate range of tools is to draw out the variety of design choices and their implications for evaluation. Based on our initial literature review and the details (where available) of individual tools, we propose an analytical framework that can help bring some order to bear. Potentially this framework might form the basis of a typology of tools: it

certainly provides us with a way of opening up questions about the implications of design options (note at this point we are saying very little about the experience of using these tools in practice – see following section).

Environment or sustainability?

Tools can be distinguished according to whether they assess environmental impact alone or more broadly sustainability, combining economic, social and environmental impacts. A number of performance management tools focus solely on the environment (e.g. ISO14001, Ecomapping, various versions of EMAS) while others integrate the assessment of environmental impacts alongside other social and/or financial values (e.g. SAM, SROI, AA1000). There are advantages and disadvantages to both types of tools. Given the argument that the environment has often been neglected in decision making, purely environmental tools focus the attention of the organisation on that aspect of their activities. But such a focus may mean that environmental impacts are not fully understood within the wider context of an organisation's activities, nor are trade-offs between different priorities (environmental, social and financial) made explicit. If sustainability is to mean anything in practice, it will entail TSOs making explicit decisions about the priority of different environmental, social and financial values. Much rests on the manner in which 'triple-bottom-line' accounting methods (regardless of whether environmental values are monetarised) present environmental values alongside other concerns: if they are lost or overlooked within a broader analysis of more immediately pressing social and financial considerations, then the argument for purely environmental performance management reasserts itself.

Single or plural valuation?

Without wishing to rehearse again the arguments of how best to capture environmental values in performance management, it is important to recognise the attraction of converting all impacts into a monetary value: namely the ease of comparison. Decision makers are faced with a single figure to guide their judgements. This is certainly the direction of travel in policy circles, with the Office of Civil Society (formerly Office of the Third Sector under the Labour administration) explicitly supporting the extension of SROI into environmental assessments as part of a wider demonstration of the value of TSOs. If one accepts the rationale, much then depends on the accuracy of the techniques through which values are converted and/or the suitability of proxies. Note that while it is possible to disagree with such a process philosophically (i.e. believe that environmental and other values are incommensurable), there may be pragmatic support for such an approach simply because the environment is being taken into account (rather than ignored). Alternatively other tools such as SAM lay out the range of impacts (whether this is limited to environmental or includes also social and financial impacts) in their own terms, leaving decision makers (and others) to come to judgements about relative priority.

Scope of assessment?

Tools are designed to apply to different aspects of an organisation's activities. A simple distinction to draw is between those tools that limit their attention to the internal workings of the organisation (e.g.

day-to-day office management) and those that focus on their external activities (e.g. the impact of service delivery). The difference between (for example) the ambitions of the WWF Green Office and EMAS represent the extent to which the scope of assessment of an organisation's activities can vary.

Deliberative or technical application?

It is possible to draw a distinction between those tools that prioritise the involvement of stakeholders (of various categories) in defining and assessing impacts and those which apply a pre-defined assessment framework, although in practice there is often a mix of elements. There are a number of rationales for a deliberative process, including improved information, education, awareness-raising and buy-in from stakeholders. There are also variations as to which stakeholders are included, for example, volunteers, staff, users, funders, wider community, etc. Ecomapping is one example of such a deliberative tool and one that is promoted as a first step in organisations and their stakeholders coming to appreciate environmental considerations. We have already noted however that the construction of any deliberative process needs careful attention to power dynamics – and also who is deemed to be a stakeholder. The advantage of more structured, formalised tools is that they often have a well-defined methodology on how best to assess impacts.

Self-assessment or accreditation?

While all tools are designed to generate self-reflection on performance on the part of TSOs, a number offer the opportunity for accreditation by a professional body – examples being ISO14001 and EMAS. Such external verification of environmental performance can provide an important indication of status and reputation. Accreditation is likely to become more significant as government and other funders require evidence of environmental performance.

Demands on TSOs?

The design choices introduced above have resource implications for TSOs. Such resources include technical knowledge, staff time, financial outlay and the like. EMAS, for example, assumes that organisations are able to embed an annual process of review and improvement planning and reporting. Thus it is not surprising to find that most of the TSOs that appear to have engaged in environmental performance management are relatively large organisations. It is difficult to see how the various costs involved in applying more sophisticated environmental performance management tools can be borne by smaller TSOs or justified by organisations for which the environment is not core to their mission and when they are facing difficult financial times. This will represent a breaking point for many TSOs: while they may be committed to improving their environmental performance, particular management tools simply place too many burdens on often limited resources. There is a delicate balance to be struck between ensuring that environmental impacts are considered fully and recognising the organisational limitations of many TSOs. But, as the incentive structure changes and public authorities and other funding bodies begin to request evidence of environmental performance, the cost-benefit calculation for many organisations will likely change.

Tools in practice: a fieldwork agenda

Previous sections have attempted to provide the grounds for a more systematic understanding of the diversity of environmental performance management tools that are available to the third sector. Clearly more research is needed to fill in details of the formal characteristics of many of these tools. But this research needs to be complemented by fieldwork that aims to understand how different tools are applied and their effect on both environmental outcomes and organisational practices. The starting point here is that the formal design characteristics of tools tells us little about how their application shapes the everyday practices of organisations – and how the tools themselves are shaped by those practices. Tools can be used in ways that they were never designed for and/or can disrupt the established activities and routines of organisations. One and the same tool can be applied in TSOs that formally have the same characteristics (e.g. size, area of activity, etc), but with very different results, including the extent of environmental improvements.

This suggests an ambitious research agenda of engagement with a range of TSOs that have experience of using different environmental management tools and those that have not. Given the diversity of tools and the diversity of TSOs, our research at TSRC can only begin to explore this complex issue of application. In selecting cases, we will aim to offer initial insights into the following key research questions:

1. Which environmental management tools do TSOs tend to select and for what reasons? Or if they do not undertake environmental performance management, why not?
2. How are environmental performance management tools applied in practice? How are they integrated into the working practices of TSOs? To what extent does their application effect or shape organisational practices or are tools themselves shaped by existing routines, activities, etc.?
3. Is there any evidence of improved environmental performance? Does it come at the cost of other aspects of TSOs' activities?

Conclusions

Over a decade ago, Gray *et al,* (1997) suggested that there is a significant knowledge gap between practitioners of performance management and academics. This is certainly still the case in relation to the application of environmental performance management tools by TSOs. Historically, environmental issues may have been of little concern to many TSOs as they have used limited resources to focus on their core social values. However, as environmental considerations become more prevalent and government policy increasingly looks to the third sector to engage with issues such as climate change, the environmental performance of TSOs will become of more overt concern.

This paper has identified a considerable number of tools available to the third sector to measure and manage their environmental performance. These range greatly in style and scope: from full accreditation (in the case of EMAS), to starting a process of deliberation (Ecomapping). Aside from the tools that measure purely environmental performance, the environment is increasingly embedded into

wider ranging evaluation techniques such as SROI and the Global Reporting Initiative (GRI). A few formative accounts of the use of such evaluative techniques can be found, although the literature is sparse and spread across a broad range of disciplinary areas. Questions are raised about how to capture environmental performance appropriately, whether existing techniques are fit for purpose and the extent to which environment is becoming a valued (rather than rhetorical) consideration by TSOs. To date, there is limited empirical evidence in the UK context to illustrate how the third sector is managing and measuring its environmental performance. This paper has offered an analytical framework to make some sense of the sheer diversity of tools and laid out an agenda for systematic research on the application of tools in practice. This promises to be a significant research agenda for TSRC – and the third sector itself.

End notes

[1] By databases, we refer to commonly used academic sources including TDNet, Ingenta Connect, JSTOR, EBSCO, ISI Web of Knowledge, Social Science Research Network in addition to Google scholar. Selected keywords included the name of all the known tools (see the appendix), along with terms such as 'third sector', 'charity(ies)';   'non-profit', 'not-for-profit', 'social economy'; 'performance management'; 'accounting'; 'environment'; 'carbon', 'climate change'; etc.

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Appendix: Overview of tools available for evaluating environmental performance

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Explicitly environmental tools:

Name	Main features	Comments	UK Third Sector Examples
Ecomapping	Free tool for smaller organisations that is based on drawing a map of the organisation and then exploring its environmental impacts e.g. energy consumption, waste management. It is not a goal, but instead seeks to identify and prioritize environmental issues to take action on.	Focuses on developing a map of the work place, so not entirely suitable for some environmental issues, or for many workplaces. Ecomapping might be useful as a starting point before moving onto more rigorous tools such as EMAS. Mainly, it offers a way of encouraging deliberation amongst staff members, so its effectiveness is reliant upon what organisation members put in.	Unclear, as it is free, although nef reports that over 20,000 copies have been downloaded since 1998.
EMAS (The EU Eco Management and Audit Scheme)	Originating in 1995 for industrial sectors, and opened up to all organisations in 2005, this is a tool that facilitates organisations to evaluate, report and manage their environmental performance, leading to office accreditation. Based on a cycle of continuous improvement, it consists of a environmental review, establish and evaluate an environmental management system, conduct an internal environmental audit and provide a statement outline environmental policy, programme, management system and steps to improve.	This offers a number of benefits by promoting a cycle of continuous improvement. The accreditation mark can be used by organisations to validate their environmental credentials, which may in turn be attractive to funders. However, the process is expensive (i.e. €10,000 for >10 employees €50,000<250 employees), and very labour intensive. As it only focuses on the environment (not necessarily related to social context) it may prove to be unattractive to the third sector.	nef report there are limited examples of TSOs using EMAS, but cite Beacon Press as an example. Accord Housing has recently become the first UK housing association to receive EMAS accreditation.
EMAS-2	This refers to the revisions to EMAS in 2001 that made the process more suitable for SMEs and closer aligns it to ISO 14001.	Given the limited uptake by TSOs to date, this might suggest that the revisions need to go further to be applicable to the Third Sector.	Not known.
EMAS Easy	This extends the Ecomapping tool by guiding SMEs through the process, more towards the full EMAS process. The aim of tool is to combine the ease of use of Ecomapping with professional accreditation. Claims to deliver EMAS in 10 days, with 10 people on 10 pages.	Very little information about this to date	Not known

Name	Main features	Comments	Third Sector Examples
ISO 14000 Toolkit	An information manual that has collated existing information (e.g. policies, forms, presentations) available. Costs $199, downloadable.	Does not appear to be very widely used.	Not known
EcoBudget	Aimed primarily at local authorities, designed to emulate local government budgeting as a way of ensuring that environmental 'costs' are reduced	Limited information	Not known
WWF Green Office	Based on improving the internal office environment	This appears to be primarily targeted on organisations in Finland.	The 'Green Office Network' is based in Finland

Contains some aspects of environmental evaluation:

Name	Main features	Comments	Third Sector Examples
Sustainability Assessment Model (SAM)	This measures how an organisation is contributing to sustainable development, relating environmental performance back to economic and social factors. Environment is subdivided into pollution (including carbon emissions), footprint, biodiversity and nuisance.	The picture of SAM's is somewhat confused; with alternative sustainability assessment models available (and promoted by consultants).	Appears to have mostly been applied to private sector organisations.
Cooperatives[UK] Cooperative, Environmental and Social Performance Indicators (CESPIs)	Aimed at Co-operatives this, easy to use tool is based on 10 quantitative indictors, based on the core values of the organisation. Notably, the environmental indicators are net CO_2 emissions and proportion of waste recycles/reused.	This is aimed at Co-ops, but has potential to be applied to other types of organisation. It does not lead to accreditation but organisations are asked to report back to CooperativesUK It is perceived to be a manageable tool for smaller organisations.	The Phone Co-op, Delta T services
Social Return on Investment (SROI)	SROI facilitates organisations to understand their social and environmental value, developed from cost benefit analysis (by attaching social/environmental values to proxies), but also incorporating stakeholders' views to the process of allocating resources.	Although there is reference to the environmental value, in practice advocates of this tool appear to place limited importance on the environment. In terms of evaluating the environment, it could be highly problematic to assign fiscal values.	FRC, NOW project, Impact Arts, BCTV, Shaw Trust
PQASSO (Practical Quality Assurance System for Small Organisations)	An off-the shelf evaluations scheme that questions TSOs through 12 quality standards that engage with social, economic and environmental issues. Each pack costs £95.	It is a fairly generic tool meaning that some TSOs may need greater evaluation in some areas from other sources	Princess Royal Trust for Carers
Global Reporting	From the GRI network based organisation, GRI reporting is the	Supplementary guidance has been offered to the third sector,	Traidcraft, Oxfam, Co-

Initiative (GRI)	most common sustainability based framework, constructed from four key elements: sustainability reporting guidelines, indicator protocols, sector supplements and technical protocols.	however, nef reports that it may still have a very corporate feel. It is also reported that it can be very labour intensive, and does not lead to any accreditation or standards mark.	operative.
AA1000 Assurance Standard	This is a tool to evaluate the quality of social, economic and environmental reporting. Free and open source, it places particular importance on the views of stakeholders.	Predominantly for use by external auditing bodies.	Co-operative, Traidcraft and FRC Group.
SIGMA (Sustainability – Integrated Guidelines for Management)	Introduces five principles for organisations to adhere to sustainable practices before developing a framework to integrate sustainable management practices and suggests appropriate tools to aide the process.	Limited experience with smaller organisations.	Co-operative Bank
Social Enterprise Balance Scorecard	This creates a visual tool i.e. the score card, that displays the most important social, environmental and economic values to an organisation	Aimed at social enterprises, this can be conducted with limited resources. However, there is an emphasis on linking values to financial status, has no external validation and does not increase accountability.	Café Direct, Oxford, Swindon and Gloucester Co-operative.

Does not explicitly contain environmental evaluation, but some potential for applying to environmental evaluation:

Name	Comments
Appreciative inquiry	This moves towards a more qualitative approach, in turn moving away from assigning proxies to incommensurable values. Could be of benefit to understanding environmental values that may not be appropriate to link to market driven proxies.

Performance tools used by third sector organisations that are explicitly socially based:

Name
Prove it!
ABCD (Achieving Better Community Development)
European Foundation for Quality Management Excellent (EFQM)
RADAR
Investors in People
Local multiplier 3
The Big Picture

Other performance management tools which require further research for classification:

Name
Performance pyramids

Internal benchmarking
Performance measurement and reporting
Total quality management (TQM)
Outcome measures

Sources include: PQASSO: Quality Standards for voluntary and community organisation, published Charities Evaluation Services – Values into Action: how organisations translate their values into practice, published by the National Council Voluntary Organisations, Ecomapping by Heinz Werner Engel – EMAS 2000: a dynamic instrument for environmental protection and sustainable development by www.europa.eu.it - www.proveandimprove.org - http://www.14000-toolkit.com/ - www.accordha.org.uk/ - www.greenconsumerguide.com - http://ec.europa.eu/

About the Centre

The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The third sector research centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector's capacity to use and conduct research.

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Service Delivery

From housing, to health, social care or criminal justice, third sector organisations provide an increasing number of public services. Working with policy makers and practitioners to identify key priorities, this work will cut across a number of research streams and cover a series of key issues.

Critical understanding service delivery by the third sector is important to policy making as the third sector now provides a major - and very different - option for public services, which may be more responsive to the needs of citizens and service users. At the same time, there are dangers inherent in the third sector becoming over-dependent on funding from service contracts – particularly in terms of a potential loss of its independence. The centre's research will help to inform the debate on the way in which service delivery is developing, the potential role of the third sector in commissioning as well as contracting, and the implications of different approaches to service delivery on the overall impact of the third sector.

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