



Consultation Summary

Impact Management System v2.0.0

April 15, 2021

Fair Trade USA



1. INTRODUCTION

In 2018, Fair Trade USA initiated a review of our Impact Management System (IMS) in order to update and expand our approach to measuring and evaluating the impact of our model. This work started to ensure that Fair Trade USA has an effective system to understand the impacts of certification and associated services, meeting internal learning needs as well as the needs of supply chain and business partners.

As a first step, we refreshed our Theory of Change, which was shared publicly in early 2020. The work continued with a review and update of the details of how we monitor and measure our impact, from re-articulating the pathways by which we believe change is driven, to revisiting the key performance indicators we collect for each of our desired outcomes. In December 2020, we shared the results of the work with our stakeholders and solicited their feedback on a range of themes, including the system goals and outcomes, key performance indicators, unintended effects, and on the scope of the system.

We consider ourselves fortunate to have received so much feedback from our broad stakeholder base during the public consultation and we could not be more thankful for the time and brainpower our partners spent to help us build a more effective Impact Management System. This document contains a brief summary of the key themes and learnings from the feedback we received on the draft of the IMS.

In July 2021, we published the updated version of our IMS Overview and Research Agenda, which were updated based on the feedback we received. They are available on our website at [this link](#). Our approach to monitoring, evaluation, and learning is continuously improving, and the IMS is periodically refined to ensure that it meets the ever-evolving needs of internal and external stakeholders and reflects the priorities and capacity of Fair Trade USA. Stakeholders are welcome to share feedback to our Impact, Research, and Learning team at any time via [this survey](#) or by contacting us at impact@fairtradeusa.org.

2. FEEDBACK AND LEARNINGS

2.1. Fair Trade USA's Theory of Change, Goals, and Outcomes

We were extremely pleased to hear from stakeholders that the IMS Overview gave them a clear understanding of Fair Trade USA's theory of change and system-wide impact goals—in other words, they understand what Fair Trade USA is working to achieve. We also heard that some of the graphics we were using to explain the system were creating confusion rather than facilitating understanding, and that the connection from inputs to outcomes was missing. Based on feedback, we removed some graphics and incorporated a logic model into the IMS Overview that will make it even easier to visualize how our programs drive positive impact.

Some stakeholders expressed an interest in seeing more detail about the segment of the Theory of Change that relates to conscious consumption. The IMS Overview has been updated to reflect that feedback, via the inclusion of the logic model, sample outcomes and key performance indicators (KPIs) associated with the consumer pathway.

Feedback from the survey and interviews reiterated the importance to stakeholders of the role of the Fair Trade Premium, also known as the Community Development Fund, in driving impact and that simultaneously the role of Premium was a source of misunderstanding. We've adjusted the language and visualizations in the IMS Overview to help clarify how these funds come into play in the fair trade model. However, it is also important to recognize that every supply chain and situation is different, and the roles that different inputs and outputs play in driving outcomes vary. We recommend that individuals seeking to



understand the details of how Fair Trade Premium is operationalized review our [Standards](#), which incorporate detailed requirements related to the receipt and spending of these funds.

Lastly, through this consultation we gained an understanding of which outcomes are of greatest importance to our partners, and a confirmation that our approach will support their CSR goals. This informs the details of the implementation of the IMS as well as our research agenda.

2.2. Key Performance Indicators (KPIs)

Through the consultation we also received valuable detailed feedback on specific KPIs that enabled us to make adjustments to our KPIs and/or to the wording of specific KPIs to ensure they are clear and can be effectively measured. For example, feedback prompted us to conduct detailed reviews of our KPIs that relate to gender as well as those related to social capital.

Stakeholders also provided constructive feedback related to how we communicate about KPIs and how to ensure they are contextualized. For example, some KPIs are broadly applicable while others are supply chain specific, some KPIs track awareness and others more concrete outputs or outcomes, and some KPIs relate more directly to Fair Trade USA's operations. It is important to keep in mind that we use the Impact Management System to track outcomes that our interventions directly affect, as well as to track key elements of the broader context in which we operate and which influence producers and the market.

2.3. Additional Themes

All stakeholders were asked to provide feedback on our research agenda. Our planned research on the impact of Fair Trade Premium was identified as the topic of most importance and interest to those who provided feedback. Research on the cost of sustainable production and on the return on investment of Fair Trade certification for factories and farms were also identified as being of significant interest.

The research agenda has been updated based on stakeholder input. Research focused on Fair Trade USA's environmental and climate related outcomes was added to the priorities. Additionally, we added plans for research to understand the relationship between Fair Trade and income levels and living wage. Lastly, changes have been made to incorporate the realities of the effects of COVID on research capacity and prioritization. The research topics highlighted by stakeholders remain top priority for us in 2021 and 2022.

We also asked stakeholders for feedback on potential unintended effects of our programs and certification that we should be evaluating. Less than 20% of survey respondents felt there were unintended effects we should be evaluating, and we were pleased to see that half of the effects they raised had already been recorded in the past [here](#). The additional feedback was taken into account in the recent updates to the IMS and research agenda.

