



Frequently Asked Questions about Fair Trade USA's Impact Management System Update

Fair Trade USA®

November 10, 2020

1. About the Impact Management System (IMS)

1.1. What is the Impact Management System?

Our Impact Management System (IMS) outlines our approach to defining, measuring, and communicating the impact of our model. It includes all the indicators, tools, and processes that Fair Trade USA utilizes to determine if our programs have been implemented according to plan (monitoring) and if they are achieving the desired outcomes and impacts according to our Theory of Change (evaluation).

Effectively the IMS is the system to test, measure, and evaluate our outcomes along the Theory of Change. From the monitoring data and the research and evaluations of the outcomes, we are able to elicit critical insights into our programs about where we are succeeding, and where we need to learn, iterate, and improve. The IMS is the cornerstone of how we measure and communicate our impact, but it is also a living system that is adapted as we gather data and shift to accommodate necessary changes as a result of key learnings.

1.2. How are the IMS and Fair Trade USA's standards and certification requirements related?

Standards and certification are two of the key strategies and activities that are highlighted as inputs within the [Theory of Change](#). Fair Trade USA standards and certification requirements, as well as our work with supply chains, are intended to drive the outputs and outcomes detailed in the Theory of Change and Impact Management System. An essential and primary role of the IMS is to help Fair Trade USA understand whether and how the standards and certification requirements are being effective in driving those outputs and outcomes. Through measurement and evaluation, we learn where the standards are working well and where we need to make changes to our program to achieve our intended outcomes. When Fair Trade USA revises standards we always keep the desired outcomes and pathways from the Theory of Change in mind because each individual requirement and the full suite of standards are written to these outcomes. Similarly, when we evolve and adapt the services we offer to producers and supply chains, or to our brand and retail partners, we look to the Theory of Change and IMS as the north star of what we are trying to achieve with those service offerings.

We also conduct external consultations before any major revision of one of our standards in line with the ISEAL Codes of Good Practice. Some of our stakeholders might participate in multiple consultations depending on their interests, expertise, and engagement with Fair Trade USA. These consultations are similar to the external consultation that the IMS is undergoing and stakeholders may notice commonalities



between the processes. A key difference is that the IMS consultation is focused on how we best measure and evaluate the outcomes we intend to drive whereas consultations on Fair Trade USA standards are focused on updating the standard requirements in order to best drive those outcomes.

1.3. Why are you updating the IMS and how is this new version different?

Fair Trade USA has been operating with the previous version of our IMS since 2015. It is a best practice to review M&E systems to identify areas where it is supporting the organizational measurement framework well and where there are opportunities to improve and incorporate learnings from the field. In addition, Fair Trade USA has grown and expanded since the previous version of the IMS was developed, incorporated new commodity sectors into the programs, and developed new standards that did not exist under the previous system. As a result of this growth, it was critical to rebuild the IMS to support all the regions and commodities in which we operate.

Through the review process we also learned that some key data points were collected and siloed in other functional areas, and we saw an opportunity to bring them under our IMS umbrella and harmonize them within the measurement framework. The updated IMS has been expanded to more clearly articulate and measure outcomes and key performance indicators related to the full breadth of the fair trade model, looking beyond the impacts of Fair Trade USA on farmers, workers, and fishers, and considering system-wide outcomes across the supply chain and in communities.

2. About the IMS Consultation & Finalization

2.1. Why are you soliciting feedback on the IMS?

Fair Trade USA believes that a strong system of measurement and evaluation (M&E), known as our Impact Management System (IMS), is essential to understanding the impact of our programs. We have a commitment to supporting our producers and partners by evaluating our programs—these evaluations inform improvements across all aspects of Fair Trade USA. We are committed to ensuring that all stakeholders and partners have an opportunity to share their perspectives and insights on our programs and our proposed updates to our systems. It is best practice never to design M&E in a vacuum. Our stakeholders' experience in the field and thoughtful feedback is an important input in the finalization of our overall Impact Management System, helping to ensure that our IMS meets our internal needs and brings value to our stakeholders and partners.

2.2. What happens with my feedback and is it confidential?

Fair Trade USA's Impact, Research, and Learning (IRL) team will review all feedback received in detail. Feedback will be aggregated and summarized at a high level, without attribution. The high-level summary will be made publicly available on the website.

The IRL team will use the feedback from the consultation, along with feedback from internal stakeholders and expert consultants, to inform the finalization of the Impact Management System (IMS). This includes: finalization of indicators, prioritization of data collection, completion of processes to share out information and learnings, and the prioritization of future research, internal, and external evaluations.

The Impact Research and Learning team is committed to considering trends in feedback, to look closely where stakeholders' feedback may be in conflict with each other, to take decisions with the full system in mind and, most importantly, in consideration of the impact that any changes might have on Fair Trade USA producers around the globe.



2.3. What is the timeline for completion of the Impact Management System (IMS)?

Since we are sharing the updated IMS for feedback in November, we will utilize the remainder of 2020 to focus on soliciting and reviewing feedback on the IMS. We plan to integrate feedback into the IMS and finalize remaining components of the system in the first quarter of 2021. We hope to be implementing the updated IMS within the first half of 2021. We will post an announcement on the website once the new IMS is complete.

Additionally, it is important to understand that our work on monitoring and evaluation regularly evolves and improves—the IMS is a living system. For example, research priorities are reviewed annually, new technologies are integrated into our processes, new indicators are incorporated as we develop new programs, and minor adjustments to our system of M&E are regularly made to ensure the system is efficient and effective.

2.4. What does the IMS update mean for the learnings that are shared about the Fair Trade USA program?

Improving the IMS helps ensure that Fair Trade USA has the information we need to continuously improve our standards, certification processes, and the services we provide to support farmers, workers, and fishers at origin. It will also enable us to share better insights about the outcomes Fair Trade USA is helping to drive for our producers, at an organizational level, and strengthen the confidence of consumers in the impact of purchasing Fair Trade Certified products. We believe these represent significant benefits for Fair Trade USA's business and supply chain partners. As we finalize the IMS, we will be refining our plans for how best to present our organizational insights and findings.

