



# Fair Trade USA ISEAL Impact Code Public Systems Report

Fair Trade USA

info@fairtradeusa.org

## Scope and Boundaries of the M&E System

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The Fair Trade USA Monitoring and Evaluation System is called the Impact Management System (IMS). The IMS is Fair Trade USA's approach to defining, measuring, and communicating the impact of the Fair Trade USA model. It includes the Theory of Change and the indicators, processes, and technologies used to monitor and report on progress over time. The objectives of the IMS are four-fold:

- Define the impact that Fair Trade USA aims to achieve and the methodology of measuring it.
- Evaluate the effectiveness of program activities (e.g. standards, supply chain insights, market support, consumer activation programs) in realizing desired outputs, outcomes, and impacts.
- Use evaluations to refine programs to improve results.
- Communicate the change Fair Trade is enabling for producers, businesses, and consumers.

Fair Trade USA's Theory of Change outlines the intended impact on multiple stakeholder groups - producers, businesses, and consumers. The IMS is taking a phased approach to expanding the evaluation framework and tools for the three stakeholder groups. The first phase has focused on evaluating producer performance and impact; future phases will focus on the monitoring and evaluation work for businesses and consumers.

The current scope of Fair Trade USA's IMS is primarily focused on producers selling into Fair Trade Certified supply chains regardless of geographies, products, and the standard under which certification occurred. The producer specific M&E activities are detailed under the Performance Monitoring section. Fair Trade USA currently seeks to collect regular monitoring data from Fair Trade Certified producers. This data is supplemented by sampled outcome evaluations conducted with a subset of producer groups and their members. These M&E activities evaluate Fair Trade USA's four key sustainable livelihood goals – empowerment, income sustainability, community and individual well-being, and environmental stewardship. In addition to these broad sustainable livelihood evaluations, Fair Trade USA conducts partnered in-depth studies, focusing on specific commodities, geographies, and/or impact areas.

IMS results and findings are communicated on a rolling basis to internal teams and external partners, and regularly in the [Fair Trade USA Almanac](#).

## Roles and Responsibilities

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The Impact Department has had dedicated staffing and a dedicated annual budget since 2014. Since then, the Department has grown significantly in budget, staffing, and capacity and is currently comprised of



seven expert individuals. The Impact Department at Fair Trade USA is responsible for defining, measuring, and communicating the impact of Fair Trade USA in order to learn and improve the Fair Trade USA model. Individual roles and responsibilities are listed below.

Role	Responsibilities
<b>Vice President of Certification, Standards &amp; Impact</b>	Overall leadership of the Certification, Standards & Impact Departments
<b>Director of Impact</b>	Strategic leadership of the Impact Department
<b>Senior Impact Manager</b>	Tactical leadership of the Impact Department
<b>Impact Manager – Systematic</b>	Management of systematic data collection
<b>Impact Manager – Surveys</b>	Management of survey data collection
<b>Impact Manager - Analysis</b>	M&E study design, data management and data analysis
<b>Impact Assistant</b>	Data collection tools, data management, technical support

Additionally, the Department’s efforts are supported cross-departmentally by staff and by externally based field staff. This commodity-focused support outside of the Impact Department enables commodity-specific insight in study design and data analysis as well as collaboration with individual producer groups. Data collection is supported by Auditors, Survey Coordinators and Survey Enumerators, as well producer groups themselves. The Tech and Quality Assurance Departments support the technological advancements and systemization of the Impact Department’s work.

Role	Responsibilities
<b>Department Liaisons</b>	Department representatives to provide commodity-specific guidance and support
<b>Tech Support</b>	Development of data governance and data management systems
<b>Quality Assurance Department</b>	File management and SOPs
<b>Auditors</b>	Conduct compliance audits and collection of additional monitoring and evaluation data
<b>Survey Coordinators</b>	Manage implementation of farmer/worker surveys at producer origin
<b>Survey Enumerators</b>	Conduct one-on-one survey interviews with farmers/workers

## Defining the Intended Change

Fair Trade USA’s long term intended impact is responsible business and conscious consumption that is driven through interventions with producers, businesses and consumers. The intended impacts for each stakeholder groups are sustainable livelihoods for producers, value creation for businesses, and activation for consumers. The ecosystem of change and the relationship between these stakeholders is illustrated in the IMS document in the section ‘Theory of Change’.

- Fair Trade USA’s innovative model to deliver on our intended impacts is achieved through:
- Developing and implementing Fair Trade Standards;
- Certifying producers and supply chain partners;
- Enabling producer services which build competitiveness;
- Engaging businesses and consumers to cultivate demand for sustainable production;



- Defining, measuring, and communicating impact.

The table under the IMS section 'How Fair Trade USA Drives Impact' shows how compliance with standard requirements and premium investments drive impact goals. Impact goals are broken into medium-term outcomes (Tier 1) and short-term outcomes (Tier 2) in the table under the 'Producer Impact Framework' section of the IMS.

## Performance Monitoring

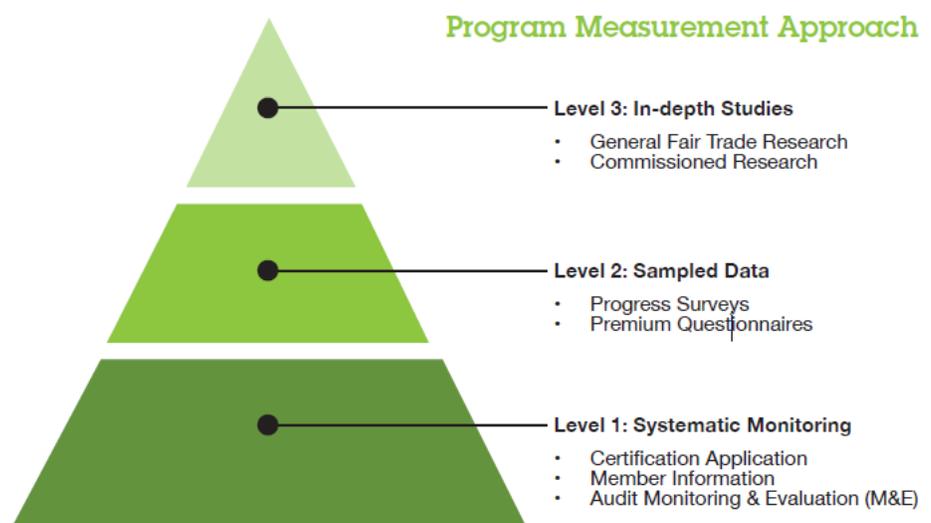
The Fair Trade USA IMS includes various collection methodologies to measure the outputs, outcomes, and impacts from a variety of data sources. The Data Collection Pyramid below breaks down the IMS data sources into different collection levels and methods based on their content and scope of collection.

**Level 1 – Systematic Data:** Data collected from all Producer Organizations.

**Level 2 – Sampled Data:** Data collected periodically across a selected group of Producer Organizations, preferably a representative sample. Where appropriate, these results can be extrapolated to draw conclusions at an organizational level.

**Level 3 – In-depth Studies:** Deeper research studies on a specific topic or for a

carefully chosen subset of Producer Organizations. The goal is depth over breadth. They can also include a “control” group of similar, non-certified entities to enable comparison.



The data collection methods employed are as follows:

**Certification Application and Member Information:** Fair Trade USA collects Certification Applications from all new producer organizations that we certify. This information includes data about the Producer Organization that serves as the baseline for on-going monitoring. Organizations also submit audit scoping information to Fair Trade USA when they apply for initial certification or re-certification. This often includes detailed information about production area and quantity.

**Audit Monitoring and Evaluation (“Audit M&E”):** In addition to compliance information, auditors gather monitoring and evaluation data related to audit performance and impact indicators. These data are verified by independent third party certification bodies. This process is essential to monitor how producer organizations perform year-over-year within our certification system. As we believe in a journey of



development, we analyze this information to understand what's working best and what needs improvement for each individual producer organization and across the whole system.

**Progress Surveys:** To complement the systematic data collection at the Producer Organizations level, Fair Trade USA implements farmer and worker surveys in a subset of supply chains to measure the progress over time against key indicators. Progress Surveys contain questions that are asked across the system and others that are specific to the context (e.g., geography, product, organization structure). Producer Organizations are also involved in survey development to ensure that the questions will help them understand their members better and offer improved services. Efforts are made to ensure a robust and representative sample so inferences can be made about the population as a whole.

**Premium Questionnaires:** It is important to understand what premium projects are implemented and who they benefit in order to pair this information with other M&E indicators. Premium Questionnaires are used to collect data on premium projects. Fair Trade USA currently tracks premium project information from many Producer Organizations and is actively working toward gathering this information systematically. A variety of tools are used to gather this information, based on the context.

**In-depth Studies:** In-depth Studies complement Fair Trade USA's on-going monitoring and evaluation. We partner with researchers who are already studying the model and have plans to commission our own studies in the near future. The primary purpose is to go deep on a specific topic or for a carefully chosen subset of Producer Organizations.

## Outcome and Impact Evaluation

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Impact reports are made public on the [Impact page of the Fair Trade USA website](#). This page also includes Fair Trade Almanacs (annual reports) and product specific impact reports, such as for coconuts, cocoa, etc. The almanacs provide a summary of annual performance monitoring metrics, including sales volumes, premium volumes, and other KPIs. Another mechanism for sharing impact evaluations is in dedicated meetings with producers to share results and solicit feedback. Additionally, brand Impact Reports are delivered to convey impact results to brand partners, often with information specific to their supply chains.

Currently there are no published, externally commissioned reports. There are two externally partnered research papers under development and will be shared publicly upon their completion:

- Coffee Case Studies: Evaluation of FTUSA effect on farmer profitability and supplier performance. Conducted in collaboration with FTUSA, Cafe Impacto, and Cornell University. Fall 2016-Fall 2017.
- Impact Evaluation of Fair Trade for All on Coffee Estates. Undergone by CIAT. 2013-2017.

## Improving the Effectiveness of the M&E system

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Fair Trade USA's IMS is continually evolving through ongoing learning in the field, with our partners, and through industry engagement. In 2017 the Fair Trade USA Impact Department is focusing on making improvements to existing producer M&E activities by identifying more appropriate standardized indicators, enabling scaled data collection to cover more supply chains, and investing in data management solutions



to improve standardization and centralization of data. In addition, Fair Trade USA is planning to develop an impact framework and indicators for businesses within the Fair Trade Certified system.

## Opportunities for Engagement

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The initial development of the IMS in 2014 included a comprehensive stakeholder outreach process that gathered input from producers, business partners, and industry experts. Stakeholders were given an additional opportunity to provide comment on the IMS at an Agricultural Production Standard Summit in April 2016. Ongoing public comment is welcome via email to the Fair Trade USA Impact Department available on the website. Future major IMS updates will involve a stakeholder outreach process.

Internally, the Impact Department conducts annual consultations with relevant departments at Fair Trade USA about what outcomes should be included in the M&E system. This feedback, combined with learnings from the field, informs revisions of the Theory of Change, outcomes and indicators. These revisions create subsequent changes in our audit and survey data collection activities.

