**Breakout Session 3:** Starting from Scratch? Refining and Reshaping Your Impact Strategy

**Speaker:** Kate Williams – Fair Trade USA

**Key Takeaways:**

1. It is critical to consider whether theory of change is well-understood and extends consistently to all elements of a company.

2. Echoed Dean Karlan’s lecture: it is only effective and worthwhile to collect data if you are collecting good data and the data can be used to work towards your theory of change.

**Main Discussion:**

To date, Fair Trade USA has worked in over 45 countries and has impacted over 2 million farmers.

Fair Trade USA thinks about impact in several different steps: define impact targets -> design standards and services -> measure the impact of interventions -> communicate the impact to producers and consumers -> learn and evolve the steps to meeting impact targets and reevaluate impact aims.

Impact goals include empowerment, community and individual well-being, income sustainability, and environmental stewardship.

Program Measurement Approach consists of 3 levels to measure impact:

1. Systematic Data – Audit data and transaction data
2. Sampled Data – Baseline and Progress Surveys
3. In-depth Studies – Topical studies and Academic Research

Scaling impact successfully – through the new impact management system, Fair Trade USA has scaled elements of produce, seafood, coffee, cocoa and apparel

Impact Management System (IMS) broke down in the “learn and evolve” stage, since data was not actionable. Essentially, the Theory of Change was neither well stated nor broadly understood across industries that they worked in.

Goals for a refreshed Impact Management System at Fair Trade USA:

1. Consistent messaging and greater clarity for partners
2. Consistent measurement of indicators across projects
3. Identify how FTUSA is meeting and falling short of goals
Theory of Change workshops allowed FTUSA to carefully consider what outcomes needed to be true to achieve impact goals – for example, for “community development” goals to be reached they must demonstrate shelter, housing, infrastructure, healthcare and functioning economy.

The producer is at the heart of the model of FTUSA

**Q&A and Audience Discussion:**

Q: How does a company make culture shifts and attitude shifts with a changing Theory of Change?

A: At FTUSA everyone is fundamentally focused on the producer.

Q: What was the process of how you chose the consultants who helped analyze and reevaluate the IMS?

Q: Did FTUSA have a set of learning questions which drove the learning mechanics? How was the learning and evaluation process work?

A: FTUSA was focused on making sure that data they collected was actionable.

Q: How do you involve different levels of your organization to create an M&E program?

- It is important to include members of the organization in the design of the approach to rethink and create an M&E. Members of the organization want to be involved in the process/ “have their hands in the pot.”
- Should you involve the producer voice and how do you engage them?
- “Reality check approach” – involves sending out people who live in the community for 3-5 days, with no surveys, but ask open-ended questions to hear themes of the impact of intervention. This approach can depend on culture but is effective in hearing on-the-ground impact.
- Social Labs – works with people who have low levels of literacy and education to design a system that is important to participants in the program. As such, the outcomes are led by people who are involved. This method is not very “low-lift” but could perhaps be scaled.
- A shared definition of “empowerment” is critical between the organization and producers.

Q: At what stage should you bring external stakeholders in to provide the most value?

- Stakeholders want a framework that they can pull apart or they want to be able to see a case study or a pilot method. Perhaps get M&E up to 75% so that you can work through a live case with stakeholders. It’s important to have something that is “live.”
- If your stakeholders are particularly interested in the bones of the M&E, then perhaps you can bring it to them at an earlier stage.
- Consider the industry standards of the organization.

Q: Are there tools and activities to develop results chains?

- Post-it notes on a wall – more specifically, the involvement of individuals in your company is vital.
• Making sure that everyone understands the causal path is central to developing a results chain. Maintaining attribution is key.
• Systems mapping or systems approach – course by +Acumen called “Systems Processes”