



# Impact Management System Development & Revision Procedure

Fair Trade USA®

Version 2.0.0

## Introduction

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The Impact Management System is Fair Trade USA's approach to defining, measuring, and communicating the impact of our model. It includes the organization's Theory of Change and the indicators, processes, and technologies used to monitor and evaluate its programs, and report on progress toward achieving its outcomes over time.

Fair Trade USA is committed to following industry best practices, including the ISEAL Impacts Code of Good Practice in developing and revising our Impact Management System. Every revision of our IMS includes:

- Defining the objectives of the IMS revision and justifying the need for its revision;
- Identifying directly and indirectly affected stakeholders and providing them with information about the IMS revision process and opportunities for participation;
- Holding public consultations and ensuring that there is a balance of interests participating;
- Providing a variety of opportunities and tools for stakeholders to participate, such as teleconferences, meetings, and webinars;
- Ensuring a variety of opinions are given equal weight and providing for balanced decision-making;
- Making supporting documents are publicly available and reviewing our IMS on a regular basis.

This document outlines the process we will use to develop and revise our IMS, keeping the above best practices in mind.

## Scope

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This procedure applies to the development and revision of both existing and future versions of the Impact Management System at Fair Trade USA.

### 1. Initiating IMS Review

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1.1.1. The IMS will be reviewed at least every five years or as necessary, such as after a monitoring and evaluation cycle uncovers an improvement that needs to be made. All revisions will be informed by the results of the M&E findings and analysis.

1.1.2. Fair Trade USA may initiate the review of our IMS at any time deemed necessary. Fair Trade USA may also receive inquiries and requests to revise our IMS from external stakeholders.



The Fair Trade USA Impact, Research, and Learning team will evaluate all revision proposals and Fair Trade USA's Senior Management team will decide if the proposal requires a major or minor revision to the IMS. Proposals may come from internal or external partners at any time.

1.1.3. The Impact team leads the drafting and editing process of the IMS or parts of the IMS. During the drafting process, the Impact team consults key experts, internal and external stakeholders - including Conformity Assessment Bodies - for input.

1.1.4. The scope and boundaries of the IMS will be reviewed on an annual basis after a monitoring and evaluation cycle that may uncover areas for improvement, in order to guarantee the IMS is still applicable to all areas and commodities being served.

## 2. Revision Types

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2.1.1. An IMS revision may be minor and major, depending on the extent of changes being made. The revision type dictates the process for public consultation and content approval.

2.1.2. Minor revisions include, but are not limited to, improving or clarifying language, correcting typing or grammatical errors, and updating definitions or KPIs. Minor revisions do not include a significant change in impact goals, outcomes, or strategies.

2.1.3. Fair Trade USA may make minor revisions to the IMS at its discretion, without conducting stakeholder consultation. Fair Trade USA's Director of Impact, Learning and Research approves any minor revisions.

2.1.4. Major revisions take place when there are modifications to strategies or inputs that significantly change our intended outcomes and are substantive in nature.

2.1.5. Major revisions require stakeholder consultation as described in this procedure.

2.1.6. Any five-year review of an existing IMS is considered a major revision.

## 3. Stakeholder Identification & Selection

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3.1.1. For any major IMS revision, Fair Trade USA will follow the following steps to identify categories of stakeholders who have an interest in different aspects of the IMS.

3.1.2. Core stakeholder categories include those that have an interest in different aspects of the M&E system, for example, producers, workers, industry partners, NGOs, retailers, consumers, and other producer support organizations, as well as monitoring & evaluation experts.

3.1.3. The Impact Team selects stakeholders with varying levels of expertise, influence, and interest in the Fair Trade USA IMS across these groups.

3.1.4. Care is taken to specifically identify stakeholder groups that are not adequately represented, and proactively seek their contributions. This includes addressing constraints faced by disadvantaged stakeholders.

3.1.5. The Fair Trade USA Impact team develops and/or updates a list of stakeholders relevant to the scope and its social, environmental, and economic outcomes.



3.1.6. The Fair Trade USA Impact team conducts a stakeholder engagement level exercise to identify at which depth stakeholders will engage. This engagement guides outreach to stakeholders to ensure that all of the stakeholders' expertise is leveraged and represented in the feedback.

## 4. Public Consultation

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4.1.1. Public consultation is required for all major revisions (see Section 2 Revision Types for more detail).

4.1.2. Either the Director of Impact, Research and Learning or the Senior Management Team is responsible for approving the draft IMS for public consultation.

4.1.3. Once a draft has been approved for public consultation, Fair Trade USA publishes it on the website and solicits feedback on the separate parts of the IMS from identified stakeholders (see Section 3, Stakeholder Identification & Selection) on the scope and boundaries of the IMS as well as the intended outcomes and potential unintended effects of the system. Feedback may be collected via teleconferences, meetings, interviews, webinars, or written submissions.

4.1.4. The public consultation period for a major revision of an existing IMS includes at least 60 days for comment submissions by stakeholders.

4.1.5. If feedback is not received from all core stakeholder groups, a special effort will be made to contact these groups to solicit feedback.

4.1.6. Where substantive, unresolved issues persist after the consultation round(s), or where insufficient feedback was received, Fair Trade USA carries out added rounds of consultation.

## 5. Analysis of Feedback

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5.1.1. All feedback received during the consultation period is compiled, analyzed, and discussed internally at Fair Trade USA.

5.1.2. All comments are considered on an objective and equitable basis.

5.1.3. A summary of the feedback will be shared directly with those that submitted comments.

5.1.4. Feedback from any one round of consultation may be considered for subsequent reviews and revisions.

## 6. Decision-Making

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6.1.1. The Fair Trade USA Senior Management team is responsible for approving the final content of all major revisions, although they may delegate this decision-making to the Director of Impact, Research and Learning.

6.1.2. Decision-making on content is reached by consensus whenever possible. Should the decision-making party be unable to reach consensus, approval of specific content is put to vote according to the Terms of Reference of the Board of Directors.



## 7. Revisions to This Procedure

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7.1.1. This procedure is regularly reviewed in conjunction with the IMS. Interested parties may provide feedback on this procedure and suggestions for improvement by writing to [impactRL@fairtradeusa.org](mailto:impactRL@fairtradeusa.org).

