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1. EXECUTIVE SUMMARY

Fairtrade invests in Monitoring Evaluation and Learning (MEL) activities in order:

1. To support internal learning and performance improvement within the Fairtrade system, and
2. To support the development of a wider basis of evidence for the effectiveness of Fairtrade certification in supporting development and sustainability goals.

We use monitoring and evaluation activities to improve our understanding of how being part of Fairtrade is benefiting producer organizations and their members, and to generate recommendations and analysis in support of increased effectiveness and impact. This information is being used to improve the Fairtrade Standards, Fairtrade producer support, Fairtrade certification, and Fairtrade’s other activities, in order to deliver greater positive impacts for participating farmer and workers and their organizations and communities.

This report describes the scope and content of the Fairtrade Monitoring Evaluation and Learning Programme. It has been developed as part of Fairtrade’s compliance with the ISEAL Impacts Code. Any questions regarding the content of this report, or regarding Fairtrade’s Monitoring Evaluation and Learning Programme in general, should be addressed in the first instance to:

Arisbe Mendoza, Head of MEL, Fairtrade International, a.mendoza@fairtrade.net

Fairtrade’s monitoring evaluation and learning (MEL) programme currently consists of:

1. Global monitoring activities conducted with all producer organizations at the time of the Fairtrade audit, to be expanded to activities conducted by the Fairtrade producer support teams.
2. Household and community data collection for a sample of producers within a three-year cycle to strengthen the monitoring system at outcome and impact level.
3. Tailored monitoring, evaluation and reporting for specific programmes and product areas.
4. Investment in regular in-depth outcome and impact evaluation with emphasis on external research engagement.
5. Analysis and reporting based on the findings from evaluation and monitoring activities. This is used to support internal learning activities and external communication.

The scope of monitoring and evaluation is defined by the Fairtrade Theory of Change (ToC). Monitoring processes are currently able to collect data relating to basic information about the Fairtrade producer groups, the immediate results (outputs) of Fairtrade’s activities and only to a very limited extend outcomes (longer term results). Data relating to outcomes and impacts are primarily collected via evaluative research.

Fairtrade’s MEL work will increasingly follow the implementation of programmes focusing on key cross-cutting and strategic areas, with evaluation priorities linked to key programme area, or areas of investment and innovation within Fairtrade. We will continue to seek to work with experienced and independent research institutions to develop evaluation and other research projects. Learning is a key priority.
2. SCOPE AND BOUNDARIES OF THE FAIRTRADE MEL SYSTEM

The Fairtrade MEL programme collects regular monitoring data from all producer organizations holding Fairtrade certification. As such, regular monitoring covers all products and all countries where certified producer organizations are present. In addition to this, household and community level data collection for a sample of producers has been integrated to the regular monitoring system. Market progress is monitored by the marketing-facing organizations present in countries where Fairtrade is sold; market data is shared with and consolidated by Fairtrade International on an annual basis. Evaluation data are collected for a subset of certified organizations, and usually for the major Fairtrade products.

The sustainability issues within the scope of the Fairtrade standards and supporting strategies are set out briefly in Section 4 below, and more fully in the Fairtrade Theory of Change which is available alongside this document. The monitoring indicators for which data are currently collected are listed in Appendix 2 to this report. For specific thematic programmes and product areas the MEL frameworks include additional indicators going beyond the ToC indicator basket.

Current work to consolidate the Fairtrade monitoring system focuses on revising the Theory of Change indicators and identifying key pathways of change. The focus of global monitoring will be on essential indicators with all certified organizations and the monitoring of key outcome/impact indicators with a sample of producers. However, many of the outcomes and impacts of Fairtrade can only be assessed through in-depth research. For that reason we maintain ongoing commitment to engage with outcome and impact evaluations, as well as other types of in-depth research, to complement the monitoring programme.

3. ROLES AND RESPONSIBILITIES

The Fairtrade MEL programme has had dedicated staffing and a dedicated annual expenditure budget since 2008. Staffing capacity and annual expenditure on MEL activities have both grown significantly since 2011. The responsibility for overall management and leadership of the Fairtrade Monitoring Evaluation and Learning Programme lies within the Monitoring Evaluation and Learning Unit at Fairtrade International.

The Fairtrade Monitoring Evaluation and Learning team is a dispersed team which includes staff at Fairtrade International, staff within Fairtrade marketing organizations, and staff within Fairtrade producer networks. This enables the global MEL team to work with a wide range of internal and external stakeholders. Fairtrade MEL staff members have significant experience in monitoring, evaluation, project management, and research. Current Fairtrade staff positions with full-time focus on MEL work, and responsibility for implementing aspects of the Fairtrade MEL programme globally are listed in Table 1 below.
Table 1: Fairtrade MEL staff positions, January 2017

<table>
<thead>
<tr>
<th>Role</th>
<th>FTE</th>
<th>Location</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Monitoring, Evaluation and Learning</td>
<td>0.3</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Overall leadership of the Fairtrade MEL programme</td>
</tr>
<tr>
<td>Head of Monitoring, Evaluation and Learning</td>
<td>1.0</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Overall management of the Monitoring, Evaluation and Learning unit</td>
</tr>
<tr>
<td>Research Evaluation and Learning Managers</td>
<td>2.0</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Management of the Fairtrade evaluation, research, and learning programme</td>
</tr>
<tr>
<td>Data Operations Manager</td>
<td>1</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Management of data operations and data analysis team</td>
</tr>
<tr>
<td>Data Management Officer</td>
<td>1</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Data analysis and reporting, monitoring data</td>
</tr>
<tr>
<td>Business Analysis Manager</td>
<td>1</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Data analysis and reporting, certification and monitoring data</td>
</tr>
<tr>
<td>Sales Officer</td>
<td>0.5</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Data analysis and reporting, market data</td>
</tr>
<tr>
<td>Technical Assistants</td>
<td>2</td>
<td>Fairtrade International, Bonn, Germany</td>
<td>Support to projects and project administration</td>
</tr>
<tr>
<td>Monitoring and Evaluation Managers</td>
<td>3</td>
<td>Regional MEL managers in the three Fairtrade producer networks – Fairtrade Africa, CLAC, and NAPP</td>
<td>Management of Fairtrade MEL programme in Africa, Asia, and Latin America, accountability to Fairtrade producer networks</td>
</tr>
</tbody>
</table>

In addition to these dedicated global MEL posts, experts throughout the Fairtrade system commit time to global Fairtrade MEL work via the Fairtrade MEL Working Group. The MEL Working Group was created in 2006 in order to develop strategy around Fairtrade MEL, and to co-ordinate MEL work between Fairtrade International and its member organizations. Its members represent Fairtrade International staff, the Fairtrade International Board, and six of its member organizations. The working group exists in order to give strategic guidance to the Fairtrade MEL programme, to co-ordinate projects between different implementing organizations, and to ensure that learning from MEL work is communicated and disseminated effectively within Fairtrade. The Working Group meets twice a year.

In addition to MEL staff, staff within other functional teams dedicate time to activities which support the MEL programme. In particular these include:
• Staff in the Fairtrade Policy Coherence & Advocacy department, who have expertise in priority areas such as gender, workers’ rights, social compliance, advocacy, programmes, and resource mobilization. In addition product specialists from the Global Product Management department also support the MEL Programme.
• Staff and consultants working on IT and data management projects;
• Staff and consultants in the certifier (FLOCERT) managing data collection and storage as part of the Fairtrade certification programme;
• Communications staff working on communications outputs arising from MEL material, including a dedicated impact communications staff person at Fairtrade Foundation, the UK-based Fairtrade member organization.

4. DEFINING THE INTENDED CHANGE

A MEL programme should be situated within and guided by a conceptual framework that explains what an organization’s vision for change is, and how its activities and interventions contribute to that change. This is often referred to as a ‘Theory of Change’. By defining more clearly Fairtrade’s intended change, and by capturing understanding of how Fairtrade inputs contribute to change, the Fairtrade Theory of Change provides a framework for identifying appropriate indicators for measuring progress.

The Fairtrade Theory of Change was developed in the first phase between 2011 and 2013, including an extensive process of involvement of stakeholders to help define both intended and unintended changes arising from Fairtrade activities, and to identify the best indicators for capturing these. The Theory of Change was approved by the Fairtrade Leadership Team and reviewed by the Board in November 2013. This initial version focused on the impacts Fairtrade aims to have on workers, farmers and in their communities. In October 2015, a new ToC was approved which includes the changes Fairtrade wishes to see in markets, the ‘Make Trade Fair’ Theory of Change.

Fairtrade’s vision, long-term goals, interventions, and detailed Theory of Change are set out in full detail in the Fairtrade Theory of Change paper which is available on the Fairtrade International website. Fairtrade International published a simplified communicable version of the Theory of Change in December 2016.

Influence of Context

Fairtrade recognizes that the nature and extent of change brought about by Fairtrade interventions will depend on a range of contextual factors. Contextual factors may work in tandem with Fairtrade to create greater benefits and opportunities for small producers and workers, or they may act as constraints on what Fairtrade can achieve. In many cases Fairtrade will have relatively little impact on outcomes for small producers and workers compared to external factors. The Theory of Change acknowledges that Fairtrade contributes towards change for small producers and workers, rather than being the sole determinant of change. Fairtrade’s vision, goals and approach, and its interactions with context are summarized in Figure 1 below.

The Fairtrade results chain

In the full Theory of Change paper, we detail the steps in the theoretical change process which lead from Fairtrade interventions (the Fairtrade Approach) to its long-term goals. When working with a tool like this, we are of course aware that change is not usually linear, and that in reality these theoretical contribution pathways may be rather more complex or convoluted.

Unintended effects

As part of the work on Theory of Change, we have engaged with a range of stakeholders – and producer stakeholders in particular - to help define both intended and unintended changes arising from Fairtrade
activities. In addition, existing evaluation reports give insights into some of the more common unintended effects of Fairtrade. Some of the potential unintended effects are listed in Appendix 1 to this report.
Figure 1. Linking Fairtrade’s Vision, Goals and Approach

- Fairtrade Vision
- Make Trade Fair
  - Empower small producers and workers
  - Foster sustainable livelihoods
- Spheres of Change
  - Civil society action
  - Small producer and worker organizations
  - Consumer behaviour
  - Supply chain business practices
- Key Principles
- Fairtrade Approach
- Fairtrade Goals
- Unintended impacts

A world in which all small producers and workers can enjoy secure and sustainable livelihoods, fulfill their potential and decide their future.

Increasing influence of contextual factors | Decreasing influence of Fairtrade
5. FAIRTRADE MONITORING SYSTEM

Fairtrade’s monitoring system has been implemented since 2007 with the main focus on small producer and worker organizations. We have been collecting monitoring data from producer organizations during every audit process. We now have seven consecutive years of these data and are in the process of cleaning the eighteenth data set.

For producers that were already in the Fairtrade system at the point when these data were first collected, in 2007, the first set of data forms the baseline. For producers joining the system since 2007, the data collected during the first audit forms the baseline.

Until March 2015 the producer data collected was based on a series of monitoring questions developed by the stakeholders in the MEL Working Group and integrated into a Word format for audit data capture. The list of indicators was chosen to balance the need for information in relation to as many as possible of the impact areas of most importance to Fairtrade, with the need for cost-effectiveness and relative simplicity of data capture. These indicators were revised and amended after the approval of the Theory of Change and the full list of monitoring indicators for which data are currently collected is listed in Appendix 1, with linkages to the relevant themes in the Theory of Change.

In addition to the producer data, Fairtrade collects market monitoring data for a small set of market indicators via the National Fairtrade Organizations and the certifier. These data are also collated, cleaned, and analyzed on an annual basis using a database tool. These data is used primarily for internal analysis and annual reporting operations.

Many of the producer data gathered through the monitoring process have been analyzed and published on an annual basis since 2009. The published annual reports are available on the Fairtrade website, and show significant improvements in scope and communicability over time.

The monitoring data form a core basis for our understanding of the dynamics of how certification is developing, and how the benefits of Fairtrade are being distributed between products, geographies, and producer organizations. They give us a good idea where the system is performing relatively well and where it is not, which enables decision-makers to plan and focus their interventions. Other aspects of the data are analyzed and shared internally in response to specific questions, or specific stakeholder needs. Relevant data are also shared with key internal stakeholders to enable their own analysis and planning.

Since our aim was to have our performance monitoring system as an integrated part of all our operations and continuously seek to improve our work and the way we monitor our impact, we launched in 2013 a project to improve our monitoring system which was designed to deliver improvements to the monitoring system over the period 2013-2016.

The work to expand and improve the Fairtrade monitoring system focused on improving the tools used at the existing points of contact between the Fairtrade system and the producer groups holding Fairtrade certification. An improved tool for the collection of monitoring data during the audit (CODImpact) was implemented in April 2015. The next phase of the monitoring project focused on improving the tools used to collect data during Fairtrade producer support visits, with revised tools ready for implementation during 2016. The final phase of the monitoring project aimed to develop sample-based procedures for collecting a limited amount of household and community level information.

Going forward, the Fairtrade monitoring system will continue to be based upon the Fairtrade Theory of Change. Recognizing that the current list of indicators is too long to be manageable, we will reduce significantly the number within the scope of the Theory of Change, and focus our monitoring and evaluation work around a smaller number of indicators based on impact-focus questions. The MEL system will include the following components:
- Global monitoring of essential indicators with all certified producer organizations, linked with audit processes (CODImpact) and with producer visits (PN data collection), the latter depending on PN agreement of MEL implementation.

- Monitoring of key output/outcome indicators with a sample of producers, within a three-year cycle (household-level and community-level data collection). Focusing on the main category products as agreed in the strategy, i.e. cocoa, coffee and bananas.

- Project- and programme-based MEL, focusing on the five strategic thematic areas with defined roles and realistic expectations of what can be achieved in MEL implementation – and for what can be sustained longer term. Although project- and programme MEL will draw on the global monitoring processes, some bespoke MEL activities will be needed for each programme.

- External research and evaluation, focusing on the key programme themes and/or on the main products. Given the challenges in resources available for MEL, emphasis will be on external research engagement.

- Promotion of learning through targeted activities within programmes, functional teams, and decision-making fora.

- Continued emphasis on sharing and communicating our results with transparency.

These different components are set out in Figure 2 below.

**Figure 2. Fairtrade Monitoring, Evaluation and Learning System 2016 – 2020**
6. DATA MANAGEMENT

The new digital tool for collection of monitoring data during audits allows auditors to enter monitoring data offline during audits. These data are uploaded to a database when the audit is complete. The tool includes many of the questions that were previously included, as well as integration of several high priority ‘new’ indicators based on the Fairtrade Theory of Change and on other information needs. For every indicator, the tool integrates pop-up guidance, as well as drop-down settings and other integrated data checks that will support better data quality. FLOCERT and Fairtrade International tested the tool with auditors and producer organizations during the second half of 2014, following which we made a number of changes and improvements. Roll-out of the new tool began in April 2015, with the first individual sets of data generated using the tool coming on-stream shortly after that.

The monitoring data are held directly in digital form in the FLOCERT certification database, where they can be viewed or outputted for analysis. Stakeholders within the Fairtrade system already have access to the individual producer monitoring data, where appropriate confidentiality agreements have been signed.

In 2016 we had the first full set of monitoring data generated using the new tool. In addition to this in April 2016 we participated in a workshop with all FLOCERT auditors where we had the opportunity to understand their challenges and learnings with the new tool. This guided our work to engage in a revision of questions to minimize the burden to the producers and improve the quality of data collected. Moving forward we are aligning with other data stakeholders in the system through an information alignment initiative that proposes the integration of different data management systems to improve data sharing, exchange, avoid duplications and have a more effective tracking of the information across the supply chain.

7. OUTCOME AND IMPACT EVALUATION

An ongoing programme of commissioned research is an important component of the Fairtrade MEL system. In-depth research gives us a detailed picture of what is happening to Fairtrade producers and their communities, and why. It allows us to gather information about farmer and worker experiences and perceptions. Through the general use of mixed method approach and a combination of data collection tools, research brings contextual analysis and explanation that monitoring data cannot yield. For impact and more complex outcome indicators, evaluation and other research is the only effective way to gather relevant data.

The Fairtrade system has been commissioning between one-two outcome/impact evaluations annually; however, the current financial situation in the organization places major constraints on our ability to commit to commissioning evaluation research in the future. Nevertheless, evaluation research will be required by programme donors, is required to maintain ISEAL code impacts compliance, and offers opportunities for in-depth insights that our monitoring system cannot provide – in other words, it is to some extent essential. As such, we propose to strengthen our engagement with researches, especially on strategic thematic areas and follow up on baseline studies that have already taken place as a priority. Beyond commissioned evaluations, there is lots of scope for wider engagement with researches. Investing more in this kind of engagement can offset limitations imposed by reduction in research budgets.

Impact and outcome evaluations are usually focused on major products and programme focus, and are commissioned to external institutions with significant expertise in assessing the sustainability effects of certification. We do not seek to influence the findings of these studies. We believe that commissioned evaluations can be objective where the consultants and the commissioning agency take a professional approach. For Fairtrade, the positive benefits of commissioning evaluations – over and above simply having access to completely independent evaluations - include:

- being able to ensure that researchers have full and accurate information about Fairtrade, access to data and key stakeholders;
- being able to ask research questions consistently across products and geographies (important for meta-level analysis);
- having full access to the data generated by such evaluations (important for meta-level analysis);
- being able to ensure protection for participants in evaluation processes;
- ensuring full internal overview and understanding of the results and follow-up to any critical findings;
- being able to generate real learning value from evaluations through direct engagement with expert consultants;
- being able to ensure that evaluation resources are managed efficiently, and that evaluations can generate some benefits for participating producer organizations.

We also value and utilize good quality independent external research that has not been directly commissioned by the Fairtrade system, but which has considerable scope to support internal learning and knowledge about our effectiveness. We welcome interaction and partnership with independent research projects, with a view to ensuring that such research can be as accurate and useful as possible.

Fairtrade-commissioned evaluations focus primarily on core products and incorporate evaluation of key strategic areas such as hired labour, social compliance, climate change, gender, producer services, or other themes that are important for system stakeholders. Our knowledge about each core product or key theme will therefore be supported by new research evidence and data every few years.

We seek to ensure that impact and outcome evaluations employ mixed methods to generate robust qualitative and quantitative findings. Wherever financially and logistically possible we require researchers to integrate a counterfactual into the evaluation research. We are also increasingly exploring longitudinal research projects, with several current projects intended to establish baselines for future outcome and impact evaluations. For example, in the coming years Fairtrade intends to follow up on recent baseline studies of major products with outcome and impact evaluations.

It is Fairtrade’s policy to publish full impact evaluations wherever possible. Evaluations and other research published to date are available in the resources section of the Fairtrade International website:

http://www.fairtrade.net/impact-and-research.html

Information about in-progress evaluations and other Fairtrade research can be accessed here:

http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2016-12-In_progress_Fairtrade_evaluations_MEL.pdf

8. IMPROVING THE EFFECTIVENESS OF THE M&E SYSTEM

The Fairtrade International Board agreed an overarching plan for Fairtrade MEL, 2013-2015 in November 2013. We have implemented this plan and proposed its continuation aligned with the strategy 2016-2020. The completion of the strategy-setting phase required us to look at our MEL plan to consider whether to what extent the MEL plan will need to change to reflect any new dimensions in the Fairtrade strategy. As such, we developed a revised MEL Plan taking into account the new strategy directions, during 2016.

Fairtrade International is committed to communicating the results of monitoring and evaluation processes internally, and to using relevant findings to influence planning and decision making – both for the MEL
system itself but more importantly for programme and strategic decisions. The MEL system then in turn is reflecting and following the changes and new directions adopted in Fairtrade programmes and strategy.

- Analysis of monitoring data and evaluation results is shared with key governance bodies in Fairtrade. It is also being used as an input into planning and standards setting processes
- Since 2014 Fairtrade has worked extensively to promote learning from evaluation and monitoring, including the development of an online tool to house results from research, and the presentation of these results in several workshops.
- In 2016 Fairtrade has engaged in a strategy development process in order to develop Fairtrade strategy for the period 2016-20. The Fairtrade MEL team has developed learning inputs based on MEL results as an input to this strategy process. Learning inputs based on MEL results are also being used to inform and shape the current phase of new programme development for Fairtrade.
- Monitoring data and analysis are shared with the Fairtrade International Leadership Team, the Board, and other governance and operational bodies within the Fairtrade system on an annual basis. Since 2009 it has also been made publicly available and shared with all staff throughout the Fairtrade system. Monitoring data are also used to supply insights on an ongoing basis throughout the year, as questions and issues arise.
- Results and learnings from evaluations are presented to the Fairtrade International Leadership team. Evaluation results are made publicly available and shared with staff throughout the Fairtrade system. It is Fairtrade International’s policy that workshops should be held as part of every evaluation process, where results are shared with relevant stakeholders, and used as the basis for further discussion of findings, recommendations and actions.
- The Fairtrade MEL Working Group is committed to ensuring that MEL data are used as an input into reviews of the Fairtrade standards.
- The MEL unit has in close collaboration with key system stakeholders developed MEL frameworks for different important products and thematic areas. These frameworks lay out systematically how progress in each area will be measured through monitoring and evaluations over a multi-year period. This will support sound and continuous accountability and learning in key programme areas.

9. STAKEHOLDER ENGAGEMENT WITH THE FAIRTRADE MEL SYSTEM

Fairtrade International is a member organization, and our members represent key primary stakeholders for all aspects of our work. The members of Fairtrade International include the National Fairtrade Organizations, which have a primary role in marketing and business engagement activities; and the Producer Networks, which represent the interests of Fairtrade producers. In 2006 Fairtrade created a stakeholder body with the purpose of bringing interested stakeholders together regularly in order to develop the Fairtrade MEL system. This body, the Fairtrade MEL Working Group, includes representatives from market-facing and producer-facing organizations. The Working Group meets twice a year.

During its more than ten years in operation, the Fairtrade MEL Working Group has been involved in all stages of the development of the Fairtrade MEL programme, ensuring that a wide range of stakeholder views and needs have been incorporated. More information about the MEL Working Group is available here:


In addition, since 2012 Fairtrade International has engaged stakeholders beyond the MEL Working Group in two major processes, the development of the Fairtrade Theory of Change, and the development of the Fairtrade MEL Plan. For both of these projects Fairtrade engaged with producers and market-facing organizations through a range of workshops and consultation processes. A report on the Theory of Change process was presented to the ISEAL conference in June 2013, and is available here:
A summary of stakeholder consultations on the Fairtrade MEL Plan is available here:


10. PUBLICLY AVAILABLE INFORMATION ABOUT THE FAIRTRADE MEL SYSTEM

Fairtrade is committed to making the results of MEL work public, and has been publishing evaluation reports and reports of monitoring data for several years.

The link to all the information about the Fairtrade MEL system is found on the front page of the Fairtrade International website. The Impact and Research pages http://www.fairtrade.net/impact-and-research.html contain the links to:

- All published monitoring reports (seven editions to date)
- All published evaluation reports
- The Fairtrade Theory of Change which sets out the Fairtrade strategies, intended outcomes and impacts, and most significant unintended effects.
- The Impacts Public System Report, which sets out the scope and boundaries of the MEL system and includes a list of the indicators which are agreed for monitoring.
- The results of the consultation process with producer stakeholders as part of the Theory of Change and MEL system development processes.
- Information about the MEL Working Group.

The contact point for queries and comments in relation to the MEL system is clearly listed on the Fairtrade web page.