



TRAIDCRAFT
Fighting poverty through trade

From Fair to Flourishing

STRATEGIC PLAN 2011-2014

A summary

July 2011

INTRODUCTION

For more than thirty years, Traidcraft has been a leading organisation in fighting poverty through trade, believing in the positive and transformative potential of trade to bring hope to millions who are trapped in poverty, and seeking to establish greater justice in the way trading systems affect poor people.

Through the combined efforts of our trading company and our development charity, Traidcraft has helped establish fair trade as a significant force in the marketplace, and we have placed fairer and more ethical trade firmly on the agenda of governments and businesses. We are recognised in the UK and beyond as a professional and effective force for change and as a source of practical expertise in making trade work to the benefit of small-scale producers.

As we look to the future, we observe significant trends that will bring challenges and opportunities for our work.

- **The challenge of poverty:** Population growth, urbanisation, rising commodity prices and political instability will continue to make poor people vulnerable, and will keep poverty as a major global challenge. Whilst economic growth will offer new opportunities for some, the benefits will not automatically trickle down to the poorest and most marginalised, and not all countries will benefit equally.

- **The impact of climate change:** Changing and unpredictable weather patterns and growing threats to the security of food and water supplies will have a major impact on poor people everywhere. We need to help them adapt to climate change and contribute to global solutions through more effective management of resources and improved productivity.
- **The changing face of trade:** The forces of globalisation and the increasing dominance of large companies offer opportunities to transfer resources and expertise, but also threaten to further disadvantage the smaller-scale producer. Within Fairtrade markets, the entry of large companies brings welcome opportunities to achieve scale of impact, but also a growing risk of diminishing focus on developmental benefits and the interests of more marginalised producers.

Our strategic review has convinced us that Traidcraft's mission remains as vital as ever. Drawing on the energy of our supporter base, building on our existing resources and networks, and integrating our trading and developmental activities ever more closely, we aim to deliver increasing impact in the fight against global poverty.

In developing our strategy we have sought to take a long-term perspective, looking ahead to the way trends may impact on our work up to 2020. However, specific plans and targets will be set on a rolling three year basis, and it is anticipated that a more major review will be needed by 2016 (and possibly earlier) given the degree of uncertainty and pace of change in our environment.

VISION AND MISSION

Traidcraft is a Christian response to poverty. We draw our inspiration and our motivation from the Christian faith, and work with people of all faith backgrounds towards a common goal of building a more just world.

Our strategic review has led us to restate our vision and the areas of work on which we will focus.

OUR VISION	<i>A world freed from the scandal of poverty, where trade is just and people and communities can flourish</i>			
OUR GOALS	Improved and sustainable incomes for poor people	Greater dignity and opportunity for poor people	Policies and practices that reflect needs of poor people	
OUR MISSION	<i>Traidcraft fights poverty through trade, pioneering, practising and promoting approaches to trade that help poor people in the developing world transform their lives</i>			
OUR ACTIVITIES	Traidcraft achieves sustainable impacts on marginalised producers through our trading and support activities	Traidcraft pioneers and innovates approaches to fair and ethical trade	Traidcraft influences governments and businesses to have more positive impacts on poor people	Traidcraft enables more people to support trade justice and environmental responsibility as our customers and supporters

STRATEGIC PRIORITIES/THEMES

- a) **Trade:** Traidcraft will continue to operate as the UK's largest dedicated fair trade company, dealing in a wide range of food, crafts and other products. The successful growth of our business will enable us to have direct beneficial impacts on our suppliers, keep us in a strong position to learn and to innovate, and will provide us with the credibility to influence the thinking and practices of others.

- b) **Support:** Traidcraft will expand its overseas development programmes in Africa and South Asia, taking the lessons of fair trade into wider arenas as we help small-scale enterprises to serve local and regional markets as well as to scale up and engage where appropriate in international trade. We are committed to partnership models and will work closely with local and international partners who can add specialist expertise to our own skills. We will develop stronger programmes of producer support.

- c) **Influence:** We will take forward our advocacy work to promote trade justice, fair trade and more responsible private sector practices, using the practical experience of our trading and development work to inform and underpin our policy recommendations and campaigns. We will seek to influence the further development of Fairtrade and other ethical standards to maximise their positive impacts on the poor. We will engage more actively in challenging approaches taken to international aid for trade activities,

so that greater focus is given to benefiting smaller-scale producers.

- d) **Mobilisation:** We will continue to develop Traidcraft's customer and supporter network, particularly within the UK Christian community. We will mobilise our customers and supporters to buy our products, donate to our development work, and promote fairer trade and sustainable approaches to business and consumption.

New emphases

Whilst much of the above is a continuation and expansion of Traidcraft's current activities, building on our existing strengths and successes, our strategic review has brought out some major new emphases which will have a growing influence on our approach.

- a) **Promoting human flourishing:** Traidcraft has always sought to have a wider understanding of poverty than one that simply looks at material issues, and our vision statement has long reflected a desire to see "people and communities flourish". During this next strategic period we will develop better systems for assessing how our interventions are truly contributing to improved well-being as well as increased incomes. Helping people to feel more confident and valued, and to have hope for the future, will be a growing emphasis in our work. We will particularly look to work in fields and sectors that can benefit women, recognising that women are generally disadvantaged, and often the most effective agents of positive development.

- b) **Positive environmental action:** Assisting producers to adapt to climate change will be an increasing part of our work. This may mean reducing risk from weather patterns by diversifying crops; it may mean improved use of water harvesting and irrigation technology; it may involve promoting more productive agricultural practices that are more resilient to stress. The role of small-scale farmers in helping generate the food resources required by a growing world population should not be underestimated. At the same time we will promote responsible consumption patterns in the UK and will reduce the environmental footprint of our own products, supply chains and activities.

- c) **Innovation:** This is the lifeblood of any organisation, but it is fundamental to Traidcraft given its pioneering role. We will increase our focus on innovation in fair trade – extending the range of sectors and markets covered by fair trade standards, bringing in new supply chains that will assist even more marginalised producers, and seeking to raise the bar in ethical and fair trading practices and move "beyond Fairtrade".

- d) **Integration:** The time is right for Traidcraft to draw together its commercial and development expertise even more closely. We are revising our approach to supplier relationships so that we recognise more clearly the state of development of each of our partners, and we will focus our development efforts on those most in need. We will seek greater levels of external funding for investment in producer support activities, helping our trading suppliers to move beyond what is needed to trade with Traidcraft itself. We will also recognise more clearly that

Traidcraft's supporters often relate to several aspects of our work and we will maximise understanding of how people can support the whole of our mission.

PRINCIPAL TARGETS FOR 2011-14

In a rapidly changing world we cannot realistically set quantifiable long-term targets for our work. We will therefore set our targets on a rolling three year basis.

In the next three year period (2011-14) our key quantifiable goals will be as follows:

- To work with an average of at least 400,000 direct beneficiaries in each year (moving toward a target of 500,000 by 2014).
- To develop and implement systems that will enable us to monitor impact more effectively, both in terms of incomes and wider dimensions of human flourishing, and to demonstrate that at least 80% of those we work with report improvements in their income and well-being.
- To increase sales of Traidcraft products by 10% per annum on average, thereby increasing the value of our purchases from our fair trade suppliers.
- To increase unrestricted donations by at least 6% per annum on average and the overall scale of expenditure on our development work by 15% per annum.
- To grow the number of Traidcraft supporters by 10% each year, and see steady improvement in awareness of Traidcraft, especially in the Christian community.

In addition, we will monitor closely evidence of the impact of our innovation and influencing activity on the behaviour of companies and governments, and we will seek to demonstrate progress in integrating environmental goals and promotion of the

interests of women beneficiaries into all our programmes and activities.

BUSINESS PLANS

Responsibility for each area of planned activity and milestones by which to assess progress have been set within departmental plans. The following pages summarise the main thrust of what these contain.

A. STAFF AND STRUCTURES

A1. Management structure and Governance resources

The continued expansion and professionalisation of Traidcraft and our new strategic emphases will require some change in the way we structure ourselves and manage our governance.

- a) **Senior management structures** will evolve to reflect the need for greater integration of both developmental and supporter-focused activities across the PLC and TX.
 - The Business Management Team, chaired by Mags Vaughan, will take overall responsibility for Public Fundraising as well as other UK operations with effect from April 2011.
 - The Development Management Team, chaired by Paul Spray, will take on oversight of all producer development activity as well as TX's overseas and policy work.
- b) **Board structures** will also evolve, recognising the need for Traidcraft to be able to draw upon a greater range of expertise and networks particularly in the areas of development and marketing/fundraising/communications. We aim to

implement changes in 2012, once a new Chair has been appointed in the autumn of 2011.

- c) **The role of the Traidcraft Foundation** will also be reviewed in 2012, to enhance our focus on our fundamental mission and Christian identity, and to help us draw more learning from our social accounts and engage more effectively with our wider stakeholders.

A2. Human Resources

We will continue to invest in developing the skills of our staff and motivating them to work hard towards delivering Traidcraft's mission and business goals.

- a) **Training and development:** This will remain a priority for staff at all levels and in all parts of Traidcraft. We will switch our targets from focusing on training expenditure to the amount of time staff members spend on training-related activity. Our initial target for 2011 is that each member of staff should receive at least two full working days worth of training each year.
- b) **Staff Attributes:** These form the basis of our staff development plans and will be reviewed during 2011 in the light of our new strategy. We will place greater emphasis on innovation and delivery of results, alongside existing themes such as stakeholder focus, team working and leadership.
- c) **Good staff management practices:** These will remain a hallmark of Traidcraft, as befits our Christian ethos. We will continue to promote health and good work/life balance for all staff, and will seek regular feedback through the Staff Association and an annual staff survey.
- d) **Structural resilience:** Resilience is often a challenge in a medium-sized organisation with a broad range of activities,

and we can often not support sufficient posts to ensure we have potential internal successors to all key posts. We will continue to ensure that there is good documentation of all roles, that several senior staff are played into each key external network, and that we have sufficient organisation-wide competence in key skills to cope with the loss of specialist staff. We will continue to ensure that our reward offer (both financial and non-financial) is sufficient to attract and retain a high calibre of applicants for roles within Traidcraft.

A3. Focus on Monitoring and Evaluation (M&E), Environment and Gender

We recognise that we need to make a significant improvement in the quality of our impact assessment in both the PLC and TX. This is essential for us to learn what really has most impact on our target beneficiaries, to be able to demonstrate that we deliver "value for money", and to be credible in the eyes of our peers and potential funders.

- a) **New systems:** we will invest during 2011 and 2012 in developing practical and cost-effective impact measurement tools that can be used across the organisation, allowing aggregation of key data as well as focus on the particular targets of each type of intervention. We will need to ensure sufficient resource is allocated within our structures to sustain the effective working of such systems once established.
- b) **Business sustainability impacts:** business profitability will remain a key measure of the effectiveness of our fight against poverty, and we will seek to develop more robust and consistent ways of evaluating this and of identifying how far changes were delivered through our own activities. Improved systems will be in place before April 2012.

- c) **Indicators of human flourishing:** will need development. These will include income, but go beyond it to beneficiary perceptions of their well-being. This will be a pioneering area of activity within the development sector. We will pilot the implementation of such systems in the first half of 2012.
- d) **Environmental impact:** As part of our commitment to improved environmental practices, we will monitor and seek to reduce progressively the negative impacts of our own activity, as well as developing programmes that help our beneficiaries adapt to the challenges of climate change. Clearer targets and approaches will be in place by the April 2012.
- e) **Gender issues:** will be an important dimension of our M&E and project design. Better measurement of our impact on women will allow us to focus more on developing and prioritising new initiatives that will bring particular benefits to women in the developing world. This will be integrated into our income and flourishing M&E systems, project design, and plans with producers.

A4. Strategic partnerships

Working in partnership with others is essential both as part of our developmental approach overseas and to ensure that we can draw upon the expertise and resources of other businesses and development agencies. In the next three years we will particularly seek to strengthen key partnerships, including:

- a) **Christian Aid:** We will explore actively the scope for collaboration in programmes, advocacy and Consortium trading activities during 2011, having received strong

indications of Christian Aid's interest in working more closely with us.

- b) **FLO/FTF:** We will continue to support the work of FLO/FTF through participation in standards development and in the governance of the Foundation as a Founder Member, focusing on the need to maximise the developmental impact of the Fairtrade certification system. We will seek to establish scope for dedicated Fair Trade Organisations such as Traidcraft to undertake more innovative and pioneering work within the FLO system.
- c) **Fair trade movement:** We will continue to contribute to the development of thinking and practice within the wider fair trade movement. In particular we will do so through EFTA, the Fair Trade Advocacy Office in Brussels, and the UK Fair Trade Leaders Forum. We will re-engage with WFTO following their AGM in May 2011.
- d) **License and retailer partners:** These commercial partners will remain a key source of expertise supporting our ability to trade and to innovate in a wide range of sectors. We will invest more senior management time in developing strong partnerships and driving the delivery of agreed partnership goals.

B. OVERVIEW OF BUSINESS PLAN FOR TRAIDCRAFT PLC

Detailed budget assumptions and targets for 2011-12, with projections for 2012-14, were approved at the March Board. The key figures may be summarised as follows:

£'000	2011/12	2012/13	2013/14
Total sales	20,314	22,646	25,818
Pre-tax and pre-pension profit	336	348	420

Our essential model is to seek to sustain the volume and profitability of our core channels, which will remain the key source of our profitability, whilst delivering volume growth for the benefit of producers largely through licensing activity. The average growth in sales turnover is approximately 10% per annum.

We project that we can maintain an adequate level of profitability, even in the difficult market conditions foreseen for the next few years, but would still aspire to be delivering profits at a level closer to £500,000 per annum.

B1. Customer/sales channel strategies

a) Core sales

- i. Underpinning the growth of core sales channels will be our new emphasis on looking at our supporter base holistically, seeking to manage the “supporter journey”

more sensitively, and using improved information management tools to understand and drive our business more. We will seek to grow the number of supporters by 10% per annum, and to encourage more supporters to have multiple dimensions in their relationship with us.

- ii. The Fair Trader channel (which also includes sales to small ethical shops) will remain the principal contributor to our profitability. However, the scale of Fair Trader activity has declined in the last few years, and we need to invest greater financial and human resource in providing the materials and product range needed to regain steady growth and recruitment. New approaches to Fair Trader stalls will be encouraged in churches, schools, and businesses, and we will launch an online tool (“Traidcraft Connect”) in late 2011 to help Fair Traders gather sales from their local communities.
- iii. We recognise the particular importance and opportunity of building relationships with the customers of Fair Traders, many of whom are regular in their support for Traidcraft, but with whom we have no direct contact. We will explore ways of communicating with them, without drawing them away from supporting their local stalls.
- iv. Mail Order/direct marketing sales have grown strongly in the last few years, and we will continue to invest in recruiting more customers. This is likely to be the main source of volume growth and an important contributor to profit within core sales.
- v. We will explore the practicalities of producing a range of catalogues, allowing us to reduce paper usage and use different tones of voice to different types of customer/supporter.
- vi. We will continue to ensure Traidcraft’s strong presence, visibility and credibility in the Christian community,

reflecting our Christian identity and values, underpinning the loyalty of our supporter base which is overwhelmingly drawn from the Christian community, and in recognition that it remains our best source of new supporters.

b) Wholesale/licensing

- i. Wholesale/licensing sales offer the greatest potential for volume growth, and licensing partners also provide support for innovation in new product development and innovation in new sectors, by bringing resources and expertise in particular product areas and markets.
- ii. We will therefore allocate a greater management focus to making license relationships work better than in the past few years, with this becoming the primary focus for our Marketing Director.
- iii. Licensing and wholesale sales are unlikely to be so significant for Traidcraft's underlying profitability, but commission earnings will grow steadily along with volumes.
- iv. We will increasingly seek to use licensing sales as a means of funding increased producer support activity, with an element of commission income ear-marked for that purpose.
- v. There is a large pool of purchasers of licensed goods in the mainstream – including an estimated 1 million Geobar customers. Through messages on packaging and websites we will seek to engage with this pool of potential further supporters.

B2. Product strategies

a) Grocery strategy

- i. This sector will be increasingly competitive as major brands increase their fair trade offerings. We will sustain our sales by innovation and differentiation of our messaging that focuses on the added developmental value of Traidcraft's activities.
- ii. Grocery products are likely to continue to constitute 70-75% of our sales, and this proportion will rise with licensing volumes.
- iii. We will develop products with clearer strategies about the market segments for which they are intended.
- iv. Much new product development/tactical innovation is likely to be carried out in conjunction with license partners, but not exclusively so.
- v. Pioneering activity is likely to focus on non-food consumables, such as rubber, charcoal and possibly palm oil, where we have the potential for first mover advantage.

b) Crafts strategy

- i. We will continue to be active in crafts, despite the fact that they are unlikely to be a major contributor to profits, and may indeed not prove profitable after allocation of indirect costs. Crafts provide us with a regular changing range, which attracts interest in our catalogues each season. They are one of our best ways of recruiting new customers. They also have a proportionately high impact on producers, and often reach more marginalised producer groups many predominantly staffed by female workers.
- ii. Over the next three years the nature of our range will shift in response to the responsible consumption concerns of many of our customers.
- iii. We will continue to focus on female customers of the 35-60 year age group. Our range will have a contemporary ethnic and quality feel.

c) **UK-sourced products**

- i. We will continue to use UK-sourced Christmas cards as the basis for Consortium sales with Christian Aid, CAFOD and SCIAF.
- ii. We will continue to offer recycled paper products, which offer a good environmental story and raise money for producer support, but we aspire to move these products towards fair trade sourcing.

B3. Producer strategies

- a) These are at the heart of our mission objectives, and vital to our brand differentiation from mainstream Fairtrade licenses.
- b) We will apply a new “ABC” model to categorise producers and ensure we are directing our development resources effectively. We will seek to ensure that at least 20% of our sales in each major product category are sourced from “Category A” producers (those needing most development input). Approximately 60% will come from “Category B” producers with whom we will have long term relationships. The remainder will be sourced from experimental fair trade suppliers or responding to one-off opportunities to add a product to our range, but we will manage carefully the expectations of future transactions with such “Category C” suppliers.
- c) We will identify new Category A producers in key commodities, with a particular focus on cocoa, sugar and coffee producers in the 2011-14 period.
- d) The Producer Support and Innovation Programme (PSIP) will increase the scale of its support to Category A (and B) producers, and where possible we will scale up our support

activities to encompass other fair trade – or potentially fair trade - suppliers. We will raise charitable funding and allocate a proportion of license income to increase the scale of this activity.

- e) Producer support activities will seek to build the commercial and environmental resilience of producers, moving well beyond direct trading relationships with Traidcraft. Increasing emphasis will be placed on assisting producer adaptation to climate change.
- f) PSIP fair trade innovation priorities may include palm oil and jute in the next few years.
- g) We will continue to invest senior management resource in assisting the development of fair trade standards at FLO and the Fairtrade Foundation. Producer support, development and policy teams will develop appropriate responses to the definition and application of a “living wage” within fair trade.

B4. Operational and financial strategies

- a) We will continue to pursue operational efficiency and cost-effectiveness across all our activities.
- b) We will set targets for continued reduction in our carbon emissions and negative environmental impacts.
- c) We will continue to upgrade our key systems to meet emerging business needs.
- d) We will implement in 2011 new reporting software allowing us to make better use of the data held on our Maginus and Raisers Edge databases.
- e) Although we do not anticipate a need to raise new capital in the medium term, we will position ourselves to be able to do so by delivering a sufficiently attractive return on capital, regular dividend payments, and maintaining the liquidity of Traidcraft plc shares.

- f) We will maintain our payments into the closed pension scheme in accordance with the agreed recovery plan.

C. OVERVIEW OF BUSINESS PLAN FOR TRAIDCRAFT EXCHANGE

Detailed budgets for 2011-12, with projections for 2012-14 were approved at the March Board. The key figures may be summarised as follows:

£'000	2011/12	2012/13	2013/14
Unrestricted income	1,575	1,650	1,775
Grant drawdowns	2,640	2,606	3,116
Total income	4,215	4,256	4,891
Total expenditure	4,277	4,345	4,836
Surplus/deficit	(62)	(89)	55
Unrestricted reserves	719	630	685

These projections will require us to achieve steady growth in unrestricted income at about 6% per annum over the coming three years, and to continue to raise new grants to a value of £2.5 – £3 million per annum. Total expenditure would rise at an average rate of about 15% per annum. However, if we begin to undertake more work with large NGO partners, less finance will pass through our books and the total expenditure figure will become a less good proxy for our scale of activity, and we will need to focus more on other indicators.

We will invest money from our unrestricted reserves in increased Public Fundraising activity, and in developing more robust and consistent monitoring and evaluation systems, and we will

therefore be prepared if necessary to accept small deficits in 2011-13 as a consequence of this, as is reflected in our budgets. Unrestricted reserves will, however, need to remain above the current target minimum level of £600,000.

C1. Fundraising

a) Public Fundraising

- i. We will seek to deliver on average 6% per annum growth in unrestricted income over the next three years, recognising that this will require a greater level of resource investment, but that this will also complement our integrated Traidcraft supporter strategy and build loyalty to our mission.
- ii. The Producer Support programme will provide additional attractive messages to reinforce our fundraising appeals.
- iii. We will learn how to be nimbler in approaches to raising funds, responding to short term opportunities, and achieving a good cost/income ratio in the order of 1:5.
- iv. We will continue to resist the trend to make donations restricted, building on the high level of trust in Traidcraft shown in surveys of our supporters.

b) Programme Funding

- i. We will raise £2.5 – £3 million per annum in new grants from major donors and trusts.
- ii. We will diversify the sources of grants funding to reduce dependency on statutory/government development budgets.
- iii. We will seek more support from our own Board members in fundraising from trusts and major donors.

- iv. We will seek to partner with other NGOs in fundraising bids, especially where this allows us to scale up our programmes using the credibility of major partners.
- v. We will increase the amount of funding raised through in-country sources (e.g. the local offices of DFID/European Community), fostering strong relations between them and our Regional directors.
- vi. The Fundraising team will also raise funds for the new Producer Support and Innovation programmes.

C2. Regional and project programmes

- a) We will increase the scale of our programme by about 15% over annum over the coming three years.
- b) Regional programmes will develop new project proposals within agreed thematic areas relevant to their own region, but applying a common Traidcraft development model. Tea, cotton, honey and sustainable agriculture are likely to feature strongly.
- c) Projects will increasingly incorporate gender, environmental and diversification themes, alongside our traditional emphasis on group organisation and supply chain linkages.
- d) We plan to build up the staff resource in our Regional Offices to match the growth of programmes and provide added resilience.
- e) We do not expect to open any new regional offices in the 2011-14 period, although we may begin to explore options for a second office in Africa. The South Asia teams may begin to undertake some work in Nepal, and the focus of the India programme is likely to shift towards states in northern India.
- f) We will encourage greater cross-fertilisation of expertise between the different regions and between TX and plc staff, including the use of staff from other areas to carry out mid-term evaluations as part of our M&E systems.

C3. Development Support

- a) The Development Support team (formerly the Market Access Centre/Traidcraft Consult) will focus more on Traidcraft project inputs.
- b) We will seek over the next three years to build a network of associates in our overseas regions, through whom training and consultancy services will increasingly be offered.
- c) Development Support staff will be used to provide project management and other inputs to Producer Support and Innovation and M&E initiatives.

C4. Policy and Advocacy

- a) We will continue our work on trade rules and agreements, especially as trade has a lower priority now for many other agencies.
- b) Our private sector work on responsible purchasing practices and company reporting/regulation will increasingly be positioned within a Business and Human Rights framework.
- c) We will undertake new work in the field of Aid for Trade (ensuring such aid works to the benefit of smaller-scale producers).
- d) We will campaign on cotton during 2011/2, but then gradually reduce our work on commodities.
- e) We will continue to be a think tank on fair and ethical trade. In the next year we will particularly seek to give inputs to thinking on the “living wage”. We will also support and take a leading role in the work of the Fair Trade Advocacy Office in Brussels.
- f) During 2011 we will experiment with the use of a media consultant to help us secure more coverage of our policy and campaigning work in the serious media.
- g) We will develop and sustain the enthusiasm of our supporters who are willing to campaign, and where possible maximise

the opportunities to use campaigns activity to recruit new supporters to Traidcraft. We will seek to develop campaigns that Fair Traders and others can relate to as part of their wider support for Traidcraft.

C5. Operational and financial issues

- a) During 2011 we will implement new reporting software to enable us to make more use of the Raiser's Edge data alongside data from the plc's Maginus system.
- b) M&E systems will be developed during 2011/12 to measure our impact more consistently across TX and plc activity, and to enable us to identify our impact on both incomes and wider human flourishing. We will use our M&E systems to maximise organisational learning, improve project design and identify the optimal ways in which PLC activity can promote sustainable development.
- c) As our programmes expand, we expect to need to invest in new project management and financial systems.
- d) We will maintain adequate unrestricted reserves in TX, sufficient to cover likely match funding and pension scheme funding needs for at least one year and to cover three months of overhead expenses.

APPENDIX: SUMMARY OF KEY INDICATORS*

A. DESIRED OUTCOMES

Our ultimate aim is to have greater impact through achieving change in the lives of poor producers and in international and business systems. Our Social Accounts will be a key source of data from which to judge overall progress towards desired Outcomes.

OUTCOME AREA	KEY INDICATORS OF SUCCESS
<p>A1. IMPROVED AND SUSTAINABLE INCOMES FOR POOR PEOPLE</p> <p><i>*Direct beneficiary = participant in a trading relationship or project/programme in which TC has a leading role, plus their immediate dependants.</i></p> <p><i>** Figures will be disaggregated by gender, and by plc/TX relationship</i></p>	<p>a) Number of people directly benefiting from Traidcraft programmes and supplier relationships: 250,000 in any year, 400,000 in total engaged over the 3 years to 2013/14 (*/**). (long term goal that 500,000 people to be benefiting each year by 2020/21)</p> <p>b) Improved and consistent impact assessment methodology established by end 2012.</p> <p>c) Increased net income being reported by 80% of households/enterprises both in TX projects and category “A” plc producers (**).</p> <p>d) Steady growth in volumes of plc purchases (new DWP measure under development)</p>
<p>A2. GREATER DIGNITY AND OPPORTUNITY FOR POOR PEOPLE</p> <p><i>** Figures will be disaggregated by gender, and by plc/TX relationship</i></p>	<p>a) Establishment of robust but affordable system to measure non-financial “flourishing” impacts by end 2012.</p> <p>b) Percentage of participants who perceive an improvement in their well-being: 80% (**).</p> <p>c) Evidence of programmes and supply chains having greater emphasis on promoting the interests and well-being women.</p>
<p>A3. POLICIES AND PRACTICES THAT REFLECT THE NEEDS OF POOR PEOPLE</p>	<p>a) External evaluation demonstrates that Traidcraft interventions have affected changes in UK/EU trade and aid for trade policies.</p> <p>b) Evidence of large company adoption of more responsible and pro-poor practices as a result of Traidcraft interventions and example.</p> <p>c) Mobilisation of UK support for justice in trade (indicator: average 10% per annum growth in Traidcraft supporter numbers).</p>

** Internal indicators have also been set for progress to be made on key areas of change, and for specific financial performance indicators.*